

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

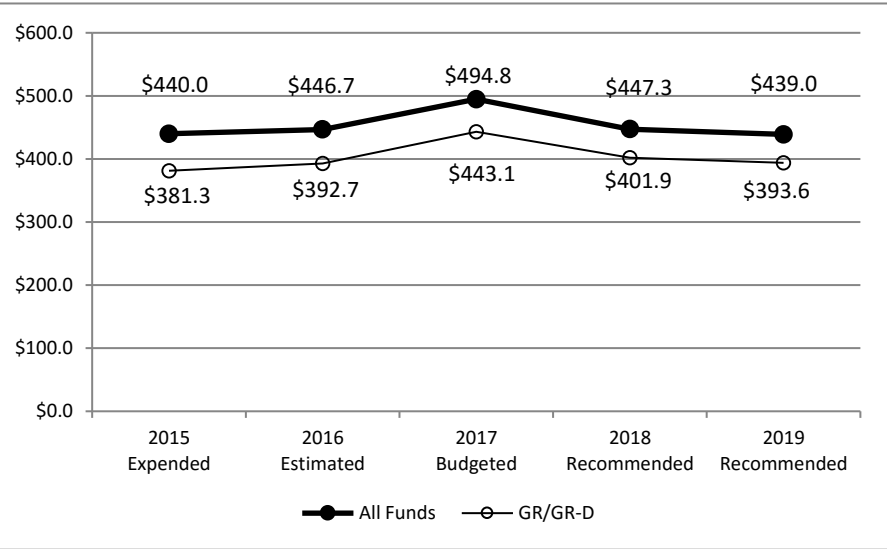
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Richard A. Hyde, Executive Director
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Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$24,414,325	\$20,142,918	(\$4,271,407)	(17.5%)
GR Dedicated Funds	\$811,405,584	\$775,446,013	(\$35,959,571)	(4.4%)
<i>Total GR-Related Funds</i>	<i>\$835,819,909</i>	<i>\$795,588,931</i>	<i>(\$40,230,978)</i>	<i>(4.8%)</i>
Federal Funds	\$81,995,369	\$74,813,916	(\$7,181,453)	(8.8%)
Other	\$23,720,890	\$15,838,112	(\$7,882,778)	(33.2%)
All Funds	\$941,536,168	\$886,240,959	(\$55,295,209)	(5.9%)

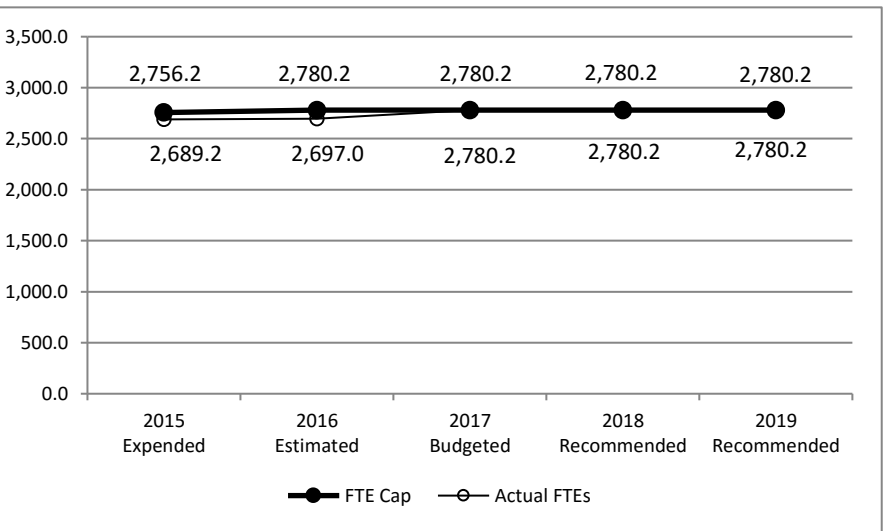
	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	2,780.2	2,780.2	0.0	0.0%

The bill pattern for this agency (2018-19 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2018-19 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Commission on Environmental Quality
Summary of Funding Changes and Recommendations - Senate

Section 2

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 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)	A decrease in Texas Emissions Reduction Program (TERP) grant funding submitted as a part of the agency's 4 percent reduction. (See Selected Fiscal and Policy Issues, Item 1).	\$0.0	(\$27.7)	\$0.0	\$0.0	(\$27.7)	A.1.1
B)	A decrease in General Revenue funds used for investigations and legal expenses resulting from litigation between Texas and New Mexico over the equitable distribution of water according to the Rio Grande Compact due to the litigation extending into the 2020-21 biennium. (See Selected Fiscal and Policy Issues - Senate, Item 3).	(\$4.0)	\$0.0	\$0.0	\$0.0	(\$4.0)	E.1.4
C)	A decrease in General Revenue funds for the Data Center Consolidation (DCC) and vehicle replacements. DCC funding is reduced by \$243,756 in order to align with the Texas Department of Information Resources analysis. (See Selected Fiscal and Policy Issues - Senate, Items 5 and 7).	(\$0.3)	\$0.0	\$0.0	\$0.0	(\$0.3)	F.1.2, C.1.1

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

D)	A decrease in Federal Funds that are not anticipated to continue in 2018-19 as a result of reductions to the Homeland Security Biowatch Program, which is used to detect the release of select aerosolized biological agents and respond to a bioterrorist event.	\$0.0	\$0.0	(\$1.7)	\$0.0	(\$1.7)	A.1.1
E)	A decrease in Interagency Contracts reflects a \$0.5 million reduction due to the Coastal Impact Assistance Program expiring; a \$0.6 million reduction due to the grant received from the Governor's Office for the Deepwater Horizon Oil Spill in the 2016-17 biennium, which was used for salaries, travel, and the RESTORE website; and a \$3.3 million reduction in the Drinking Water State Revolving Fund (DWSRF), which are funds used to ensure that the Safe Drinking Water Act's standards are followed. The DWSRF unliquidated obligations (funds not spent after a grant period has closed) has bolstered funding in the past, but is expected to be depleted by fiscal year 2017.	\$0.0	\$0.0	\$0.0	(\$4.5)	(\$4.5)	A.1.3, B.1.1, C.1.1

Commission on Environmental Quality
Summary of Funding Changes and Recommendations - Senate

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
F)	Various changes in Federal Funds including, most significantly, a carry over of \$2.0 million in funds for the Nonpoint Source Implementation Grants, which are passed through to local entities who monitor water quality; a decrease of \$1.7 million due to a one-time funding increase for the Water Pollution Control Grants; a decrease of \$1.3 million in funding from the U.S. Environmental Protection Agency (EPA) for the Resource Conservation and Recovery Act allocation, which is used to identify, manage, and safely dispose of industrial and hazardous waste.	\$0.0	\$0.0	(\$5.5)	\$0.0	(\$5.5)	A.1.1, A.1.2, A.2.3, A.2.2, C.1.1,
G)	Various decreases in General Revenue-Dedicated funding that were submitted by the agency as part of its 4 percent reduction. These include a decrease of \$2.3 million in GR-D Environmental Radiation & Perpetual Care Account No. 5158 funding is due to one-time funding for a clean up in Live Oak County of the Lamprecht and Zamzoe uranium mine sites; a decrease of \$4.0 million in GR-D Workplace Chemicals List Fund No. 5020 funding reflecting one-time grants for communities to create and execute emergency response plans for hazardous chemical events; and a decrease of \$1.7 million in GR-D Hazardous and Solid Waste Remediation Account Fund No. 550 funding associated with one-time funding received for closing a battery recycling facility.	\$0.0	(\$8.0)	\$0.0	\$0.0	(\$8.0)	A.3.1, C.1.1, C.1.2, D.1.2, F.1.1
H)	A decrease in GR-D Waste Management Account No. 549 and various GR-D accounts associated with one-time funding for a study to review the current and potential economic impacts of recycling, and reduced funding for the Take Care of Texas Program.	\$0.0	(\$0.4)	\$0.0	\$0.0	(\$0.4)	C.1.3
I)	A decrease in Appropriated Receipts is associated with a carry over of cost recovery funds from responsible parties related to Superfund and Natural Resource Damage Assessment sites.	\$0.0	\$0.0	\$0.0	(\$3.4)	(\$3.4)	D.1.2

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	(\$4.3)	(\$36.0)	(\$7.2)	(\$7.9)	(\$55.4)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	(\$4.3)	(\$36.0)	(\$7.2)	(\$7.9)	(\$55.4)	As Listed

NOTE: Totals may not sum due to rounding.

Texas Commission on Environmental Quality
Selected Fiscal and Policy Issues - Senate

1. **Texas Emissions Reduction Program (TERP):** Recommendations provide \$208.6 million in GR-D Texas Emissions Reduction Program Account No. 5071 (TERP Account), which includes a reduction of \$27.7 million in grant funding that was included as part of the agency's submitted 4 percent reduction. The \$236.3 million appropriation to TERP in 2016-17 included an increase of \$81.0 million above 2014-15 spending levels. The Comptroller's Biennial Revenue Estimate (BRE) for the 2018-19 biennium anticipates a balance in the TERP Account of \$1.4 billion on August 31, 2017 with revenue collections of \$215.3 million each year during the 2018-19 biennium. Including this revenue estimate, all appropriations (agencies and payroll related benefits), and required transfers, it is assumed that balances in the TERP Account will grow to \$1.6 billion by August 31, 2019, when TERP expires. The following table reflects TERP program statutory allocations for proposed appropriations. (See Rider Highlights – Senate, Rider 20).

Program	Statutory Citation (Health and Safety Code)¹	Statutory Allocation	2018	2019	2018-19
TERP Program Administration	§386.252(a)(11)	4% up to \$7 million	\$ 4,172,107	\$ 4,172,107	\$ 8,344,214
Regional Air Monitoring Program	§386.252(a)(4)	\$3 million max	\$ 3,000,000	\$ 3,000,000	\$ 6,000,000
Texas Clean Fleet Program ²	§386.252(a)(3); Ch. 392	5% min	\$ -	\$ -	\$ -
Texas Clean School Bus Program	§386.252(a)(1); Ch. 390	4% max	\$ 4,172,107	\$ 4,172,107	\$ 8,344,214
Texas Natural Gas Vehicle Grant Program ²	§386.252(a)(5); Ch. 394	16% min	\$ -	\$ -	\$ -
Clean Transportation Triangle Program ²	§386.252(a)(6); Ch. 394	5% max	\$ -	\$ -	\$ -
Alternative Fueling Facilities Program ³	§386.252(a)(7); Ch. 393	5% max	\$ 5,215,134	\$ -	\$ 5,215,134
New Technology Implementation Grants	§386.252(a)(2); Ch. 391	3% max	\$ 3,129,080	\$ 3,129,080	\$ 6,258,161
Health Effects Study	§386.252(a)(9)	\$200K max	\$ 200,000	\$ 200,000	\$ 400,000
Research	§386.252(a)(8); Ch. 387	\$1 million/yr	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000
Energy Systems Laboratory Contract	§386.252(a)(14)	\$216,000 max	\$ 216,000	\$ 216,000	\$ 432,000
Drayage Truck Incentive Program	§386.252(a)(12); Ch. 386, Subch. D-1	2%-5%	\$ 2,086,054	\$ 2,086,054	\$ 4,172,107
Emissions Reduction Incentive Grants ⁴	§386.252(a)(16); Ch. 386, Subch. C	Balance	\$ 81,112,197	\$ 86,327,329	\$167,439,526
TOTAL			\$104,302,678	\$104,302,677	\$208,605,355

1. Statutory allocation amounts are based on appropriations made by the legislature for the TERP program

2. This program statutorily expires on August 31, 2017

3. This program statutorily expires on August 31, 2018

4. 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)

Four TERP programs will expire before, or during, the 2018-19 biennium. In the 2016-17 biennium, funding for these programs totaled \$68.0 million. Descriptions for these programs is found in the following table:

Program	Description
Texas Clean Fleet Program	Provides grants to replace diesel vehicles with vehicles powered by alternative fuel (natural gas, liquefied petroleum gas, hydrogen, methanol - 85 percent by volume, and electricity) or hybrid vehicles. Applicants must own at least 75 vehicles in Texas and apply to replace at least 20 vehicles.
Alternative Fueling Facilities Program	Provides fueling facilities for alternative fuel (natural gas, liquefied petroleum gas, biodiesel, hydrogen, methanol – 85 percent by volume, hydrogen, and electricity) in nonattainment areas.
Texas Natural Gas Vehicle Grant Program	Provides grants to entities to fund replacements of older medium- and heavy-duty vehicles with natural gas vehicles or natural gas engines in the counties designated under the Clean Transportation Triangle.
Clean Transportation Triangle Program	Created to support the Natural Gas Vehicle Grant Program by awarding grants to support the development of a network of natural gas vehicle fueling stations along and between the triangular area between Houston, Dallas-Fort Worth, and San Antonio, as well as designated nonattainment areas and counties designated as an “Affected County” under Health and Safety Code §386.001(2).

Two large competitive contracts of note were awarded in the 2016-17 biennium through the TERP Emissions Reduction Incentive; one involves replacement of 9 locomotive diesel engines over a 17-year period, while the other involves replacement of 5 locomotive diesel engines over a 23-year period. (See Contracting Highlights – Senate).

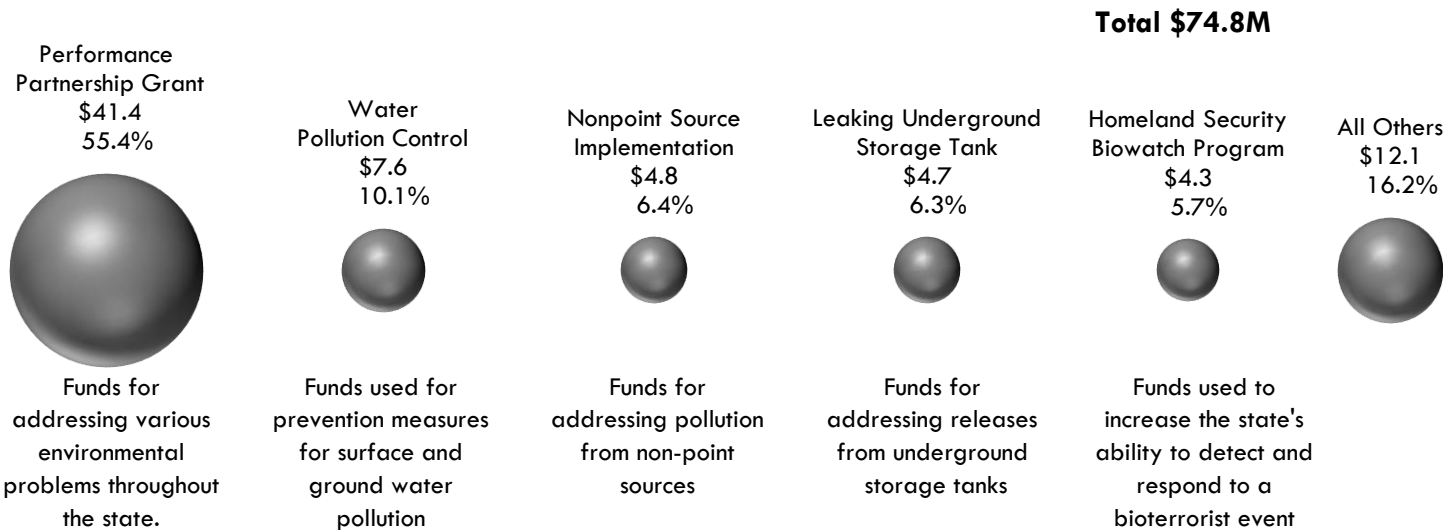
2. **Low-Income Vehicle Repair, Replacement, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP):** Recommendations include \$86.9 million in Clean Air Account funding for the 2018-19 biennium, which aligns with revenue projections included in the 2018-19 BRE and made by TCEQ. LIRAP is funded partially through the Motor Vehicle Inspection Fees deposited in the General Revenue-Dedicated Clean Air Account No. 151. The Eighty-Fourth Legislature increased funding for LIRAP from \$14.1 million to \$81.3 million for the 2016-17 biennium.
3. **Rio Grande Compact Commission Litigation Funding:** Recommendations provide the agency with the authority to carry forward any remaining unexpended balances from the \$5.0 million appropriation made for this purpose in the 2016-17 biennium into 2018-19. Recommendations do not include an additional \$5 million requested by the agency in its baseline request. Currently, New Mexico has filed a motion to dismiss the litigation; the Elephant Butte Irrigation District (EBID) in New Mexico and the El Paso County Water Improvement District No #1 in Texas have both filed motions to intervene. The Special Master appointed to review the motion to dismiss has indicated through a draft report that the motions to dismiss and intervene by the three entities will be denied, which will allow the case to move forward in the litigation process. Until this draft report is finalized, litigation cannot continue. The agency anticipates that \$1-2 million will be available to carry forward into the 2018-19 biennium. The agency predicts that the full amount of the \$5.0 million appropriated in 2016-17 and the requested \$5 million for 2018-19 will be necessary if the trial is completed by the end of fiscal year 2019, which would be an aggressive time schedule. If the trial is conducted in fiscal year 2020, the unexpended balances from 2016-17 are not anticipated to be necessary. The overall projected cost of the trial is anticipated to be \$16.5 million; as of August 31, 2016, \$6.5 million has been spent on litigation costs.
4. **Water Resource Management Account 153:** Funding recommendations are based on revenue estimates provided by the agency as of October 20, 2016, which predicted a shortfall in the General Revenue-Dedicated Water Resource Management Account No. 153 (WRMA) of \$1.5 million in fiscal year 2019 due to anticipated revenues and existing fund balances. Expenditures have exceeded revenue for several years.
 - a. **Affected Agencies:** Recommendations include funding for TCEQ from the WRMA in the amount of \$57.0 million each fiscal year for a total of \$114.0 million for the biennium. The Public Utilities Commission (PUC) biennial appropriations from the WRMA total \$5.1 million, a decrease of \$1.0 million from 2016-17 funding levels. The Office of Public Utility Council (OPUC) biennial appropriations total \$1.0 million, not a significant decrease from 2016-17 funding levels.

- b. **Article IX, Section 18.01 Rider and Fee Increase:** During the Eighty-Fourth Session, Article IX, Section 18.01 addressed the anticipated 2016-17 shortfall. Appropriations and any additional costs associated with employee benefits from the WRMA in fiscal years 2016 and 2017 for TCEQ, PUC, and OPUC were contingent on the WRMA having sufficient balances and revenues. In the event of insufficient balances and revenue, TCEQ was directed to increase fee rates to raise the required revenue. Any future fee rate modifications made to ensure sufficient revenues to the WRMA were to be based on the findings of a study that determines the level of agency workload related to each group of entities paying fees deposited to the WRMA and the relative benefit each fee payer group receives from agency water quality permitting, water quality regulation, and safe drinking water programs.

According to the resulting Water Study provided by TCEQ, the Public Health Service (PHS) fee (Texas Health & Safety Code, §341.041) was increased May 18, 2016. The Consolidated Water Quality (CWQ) fee (Texas Water Code, §26.040) has a statutory cap of \$100,000 with an adjustment for consumer price index up to a maximum cap of \$150,000; the maximum cap was increased for fiscal years 2016 and 2017 to address the shortfall. Together, the PHS fee and CWQ fee provided the majority of the revenue supporting the WRMA in fiscal year 2016 (respectively, 29 percent and 38 percent). The Water Study identifies various fees and revenues that are insufficient to support the associated program costs, as well as many programs that are supported by the WRMA but do not have dedicated fees, including the Dam Safety Program and the Total Maximum Daily Load Program.

- c. **Contingency Appropriation Rider:** Recommendations include a new rider for the agency that would make \$1.5 million in fiscal year 2019 in funding from the WRMA for Strategy A.1.2, Water Assessment and Planning, contingent on the appropriations from the WRMA being sufficient to cover all appropriations and benefits-related costs from that account. This contingency amount is equal to the anticipated revenue shortfall as of October 20, 2016. If revenue and balances are not sufficient to cover all appropriations and benefits-related costs, the rider would authorize the Legislative Budget Board to direct the Comptroller to reduce TCEQ's appropriations to be within the available collected revenues and fund balances. If the agency does increase the rates for fees deposited into the WRMA, these increases may be based on the final report mentioned above. As LBB staff receive updates on the fund balance, revenues, and expenditures, the Committee will be provided with revised estimates for the WRMA fund balance. (See Rider Highlights – Senate, Rider 30).
- d. **TCEQ Proposed Used Oil Recycling Account Changes:** TCEQ has proposed in its LAR that the General Revenue-Dedicated Used Oil Recycling Account No. 146 be abolished and its current balance of \$19.6 million, as well as its future fee revenues, be transferred to the WRMA. The Used Oil Recycling Account generates \$2.2 million in revenue each year from a \$0.01 per quart fee on the sale of automotive oil; \$0.5 million of this revenue is expended each year by the agency, which increases the account's balance by \$1.7 million each year. This would require statutory change.
5. **Vehicle Replacement:** Recommendations include \$2.3 million in various General Revenue-related funds for Vehicles and Other Transportation Items. This is an increase of \$0.2 million from 2016-17 funding levels. Funding includes a reduction of \$0.4 from the agency's requested funding amount of \$2.7 million for this item. The vehicles that will be replaced with these funds have mileage over 150,000 or are over 10 years old. The agency has 88 vehicles they will be replacing at an average cost of \$26,634 per vehicle. It is estimated that replacing all vehicles that are over 150,000 miles or over 10 years old by the end of fiscal year 2019 would cost \$5.7 million.
6. **Personal Computer Replacement:** Recommendations include \$1.5 million in various General Revenue-related funds for the Personal Computer Replacement project. This includes an increase of \$0.3 million in General Revenue-Dedicated funding from the Clean Air Account, the Water Resource Management Account, the Waste Management Account, the Hazardous/Waste Remediation Account, and the Operating Permit Fees Account as compared to 2016-17 levels because the agency is replacing computers that are approaching an age of seven years.
7. **Data Center Consolidation:** Recommendations include \$23.5 million in various General Revenue-related funds for the Data Center Consolidation project. This represents a decrease of \$0.3 million in General Revenue as compared to 2016-17 funding levels. Funding levels for the DCS project reflect estimated costs to maintain current obligations as provided by the Department of Information Resources.
8. **Solid Waste Disposal Account:** Recommendations include \$5.5 million each fiscal year from General Revenue-Dedicated Solid Waste Disposal Account No. 5000 for the purpose of local and regional municipal solid waste planning and management activities. The Solid Waste Disposal Account is projected to have a balance of \$136.8 million at the end of fiscal year 2018 and \$141.3 million at the end of fiscal year 2019. Each year approximately \$10.0 million is added in revenues to the account from a portion of the Waste Disposal Facilities, Generators, Transporters fee. TCEQ is authorized to use the Solid Waste Disposal Account for the purpose of cleanup of unauthorized tire dump sites (Health and Safety Code, §361.014 (9)(A)); funding is not included specifically for this purpose.

Commission on Environmental Quality
Summary of Federal Funds (2018 - 19) - Senate



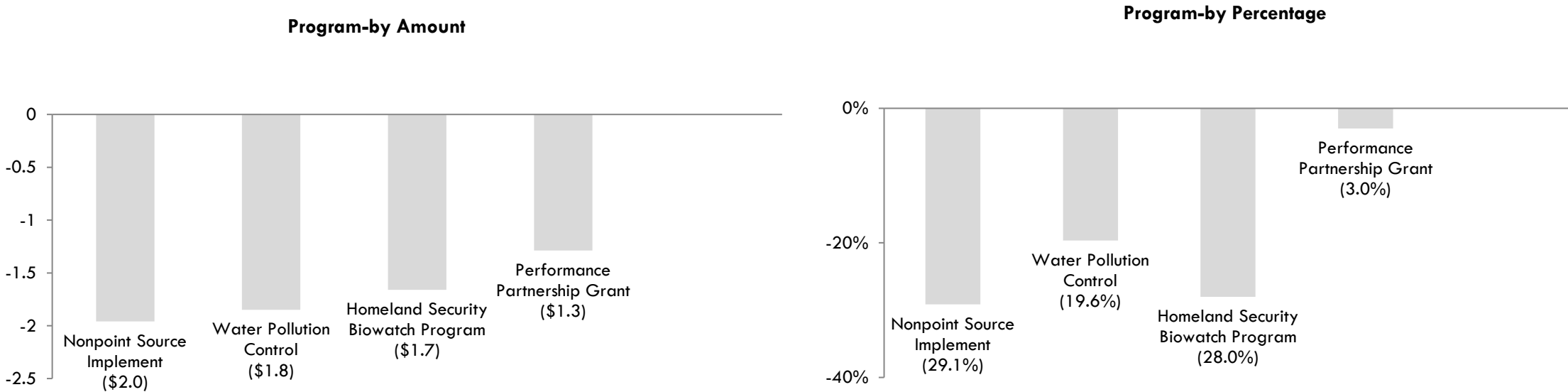
Selected Federal Fiscal and Policy Issues

1. Federal funding for the Public Water System Supervision program has decreased approximately 5.5% from FY 2014 to FY 2016, while federal requirements remain unchanged.

2. Changes in EPA's allocation method for the Hazardous Waste Management Grant program will reduce Texas' allocation over a five year period.

The Hazardous Waste Management Grant is one of several Performance Partnership

Programs with Significant Federal Funding Changes from 2016 - 17



Texas Commission on Environmental Quality
Contracting Highlights - Senate

Summary of Contracts Awarded 09/01/2014 to 01/17/2017 and Reported to LBB Contracts Database*

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

	Number	Total Value	Average Value	% of total
Procurement Contracts	1,125	\$ 411.6	\$ 0.4	100%

Award Method

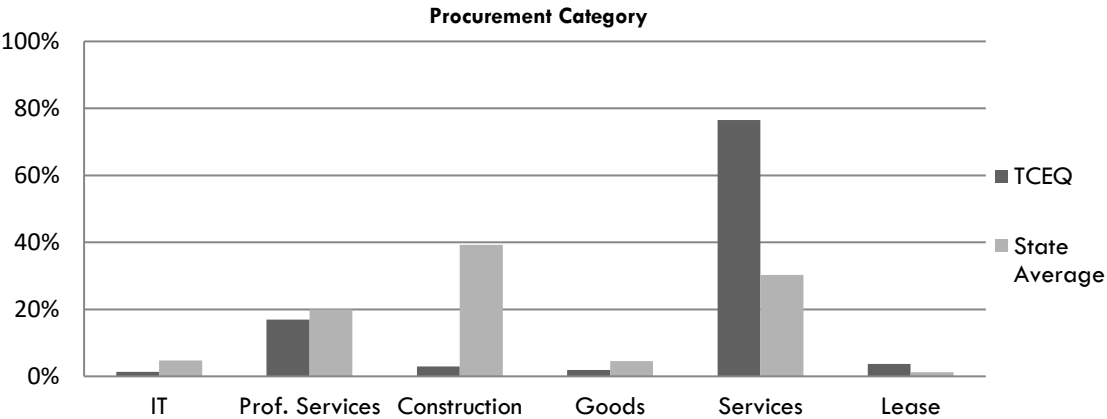
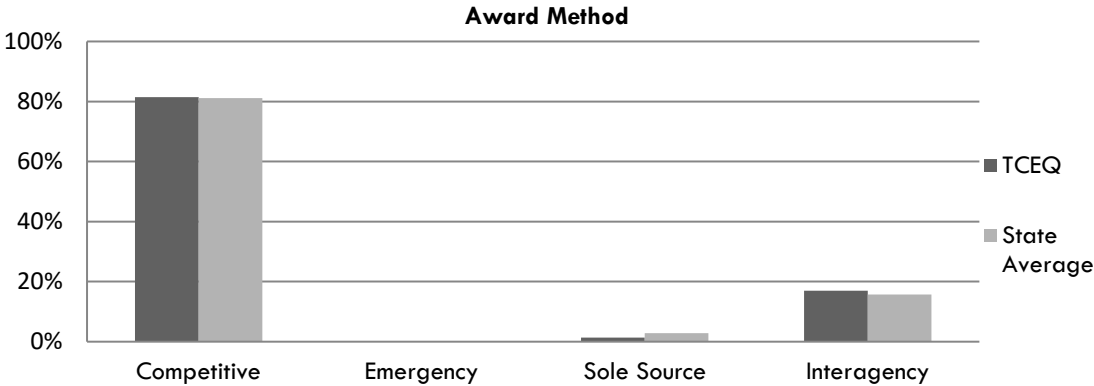
Total Competitive Contracts	940	\$ 335.4	\$ 0.4	81.5%
Total Non-Competitive	185	\$ 75.5	\$ 0.4	18.3%
Emergency	0	\$ -	\$ -	0.0%
Sole Source	44	\$ 5.5	\$ 0.1	1.3%
Interagency Agreement	141	\$ 69.9	\$ 0.5	17.0%

Procurement Category

Information Technology	27	\$ 5.4	\$ 0.2	1.3%
Professional Services	26	\$ 69.6	\$ 2.7	16.9%
Construction	5	\$ 12.0	\$ 2.4	2.9%
Goods	43	\$ 8.0	\$ 0.2	1.9%
Other Services	1019	\$ 314.8	\$ 0.3	76.5%
Lease/Rental	1	\$ 15.1	\$ 15.1	3.7%

Revenue Generating Contracts ²	7	\$ 36.1	\$ 5.2	8.8%
Competitive	6	\$ 36.0	\$ 6.0	8.7%
Non-competitive	1	\$ 0.1	\$ 0.1	0.0%

Comparisons with State Averages



*Note: These figures reflect the total value of reported contracts awarded 09/01/2014 to 01/17/2017 and reported to the LBB contract 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.

Texas Commission on Environmental Quality

Contracting Highlights - Senate

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

Largest Competitive Contracts Awarded in FY 15-16	Award Method	Total Value	% Change*	Award Date	Length	Renewals	Vendor
1 TERP Emissions Reduction Incentive	Competitive	\$ 9.6	-	06/30/15	17 years	-	Locomotive Solutions LLC
2 TERP Emissions Reduction Incentive	Competitive	\$ 9.0	-	12/11/15	23 years	-	Texas Central Business Lines Corp.
3 Water Filtration System Services	Competitive	\$ 7.5	-	09/01/14	4 years	-	Austin Culligan
4 Operations of Central File Room	Competitive	\$ 6.2	-	09/01/14	2 years	-	Pacotech Inc.

Largest Contracts Awarded in FY 17 to 01/17/2017

1 Superfund Engineering Services	Competitive	\$ 8.0	-	09/01/16	4 years	-	Aecom Technical Services
2 Superfund Engineering Services	Competitive	\$ 8.0	-	09/01/16	4 years	-	CB Environmental & Infrastructure Inc.
3 Superfund Engineering Services	Competitive	\$ 8.0	-	09/01/16	4 years	-	EA Engineering Science and Technology
4 Petroleum Storage Tank Engineering Services	Competitive	\$ 5.0	-	09/01/16	4 years	-	Foster Wheeler Environment & Infrastructure

Largest Active Contracts from Previous Fiscal Years

1 Data Center (DIR)	Interagency	\$ 85.0	-	05/01/12	8 years	-	Department of Info Resources
2 Lease for Building F TCEQ Headquarters	Competitive	\$ 55.3	-	11/02/92	35 years	-	The Colonnade Office Center
3 Low Income Vehicle Repair & Replacement Assist Program	Interagency	\$ 38.6	-	04/11/12	5 years	2	Harris County
4 Low Income Vehicle Repair & Replacement Assist Program	Interagency	\$ 22.4	-	01/13/12	5-1/2 years	2	Dallas County

Notable Contracts with Large % Change in Value

1 Galveston Bay Public Awareness Campaign	Interagency	\$ 0.2	332%	07/08/14	4 years	2	City of Nassau Bay
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*Note: The percent change in contract value between initial award amount and the current contract value. Includes contract amendments and renewals.

**Commission on Environmental Quality
Rider Highlights - Senate**

Modification of Existing Riders

2. **Capital Budget.** Recommendations include various changes to Capital Budget items in alignment with funding decisions are included. (See Selected Fiscal and Policy Issues – Senate, Items 5, 6 and 7).
12. **Reallocation of Revenue and Balances for Certain Amounts.** Recommendations modify the rider the rider to clarify that the amount that may be moved between strategies is the lesser of 7 percent of the biennial All Funds amount or \$20.0 million in order to align the rider with statute (Water Code, §5.707).
13. **Appropriations Limited to Revenue Collections: Automobile Emission Inspections.** Recommendations modify the rider to conform to a new standard format. .
15. **Appropriation: Environmental Radiation and Perpetual Care.** Recommendations modify the rider to reflect the re-creation of the General Revenue-Dedicated Environmental Radiation and Perpetual Care Account No. 5158 due to the enactment of HB 6, Eighty-Fourth Legislature, Regular Session. The account was originally created by SB 347, Eighty-third Legislature, Regular Session, but was not exempted in the funds consolidation bill and therefore not created. As a result, revenues governed by the rider were deposited to the credit of the General Revenue Fund. The rider modification reverts the method of financing to the General Revenue-Dedicated Environmental Radiation and Perpetual Care Account No. 5158 from General Revenue.
20. **Texas Emissions Reduction Plan (TERP): Grants and Administration.** Recommendations modify the rider to reflect the allocation of the appropriated amounts totaling \$104.3 million in each fiscal year across the different programs from General Revenue-Dedicated Texas Emissions Reduction Plan (TERP) Account No. 5071. This is a decrease of \$27.7 million in TERP funding compared to the 2016-17 biennium. The Texas Clean Fleet Program, the Texas Natural Gas Vehicle Grant Program, and the Clean Transportation Triangle Program are not funded in the 2018-19 biennium because they expire August 31, 2017 (Health and Safety Code, Chapters 392 and 394). The Alternative Fueling Facilities Program expires on August 21, 2018 (Health and Safety Code, Chapter 393); it is not funded in fiscal year 2019. (See Selected Fiscal and Policy Issues – Senate, Item 1).
28. **Litigation Expenses for the Rio Grande Compact Commission.** Recommendations modify the rider to provide authority for the agency to carry forward any unexpended balances remaining from the \$5.0 million appropriated in the 2016-17 biennium for expenses incurred by the Rio Grande River Compact Commission relating to investigations and legal expenses resulting from litigation between Texas and New Mexico over the equitable distribution of water according to the Rio Grande Compact. (See Selected Fiscal and Policy Issues – Senate, Item 3, and Items Not Included in Recommendations – Senate, Item 10).
30. **Appropriation: Expedited Processing of Permit Applications.** Recommendations modify the rider to reflect continued funding of \$1.0 million of General Revenue-Dedicated Clean Air Account No. 151 (Account No. 151) funding for the biennium for costs incurred to support the expedited processing of permit applications. Previously, the agency was appropriated \$525,000 of Account No. 151 funding for the biennium for the same purpose, and \$475,000 in fee revenues in fiscal year 2016 from Account No. 151 from expedited permit review surcharges. Recommendations also include appropriating the agency the fee revenues from expedited permit review surcharges (estimated to be \$0) in excess of the Comptroller's Biennial Revenue Estimate up to a limit of \$250,000.

Deleted Riders

26. **Appropriation: Fee Revenue for Brazos River Watermaster Program.** Recommendations delete the rider. Funding for the Brazos Watermaster program is from General Revenue-Dedicated Watermaster Administration Account No. 158, which is included in the baseline appropriation in Strategy A.2.2, Water Resource Permitting for 2018-19.
31. **Targeted Salary Increase for Job Classifications with High Turnover Rates.** Recommendations delete the rider. Targeted salary increases were made with the identified appropriations as directed by the rider and have been carried forward in the agency's baseline request.

New Riders

30. **Contingency Appropriation: Water Resource Management Account.** Recommendations include a new rider that makes \$1.5 million in fiscal year 2019 in Water Resource Management Account (WRMA) funding for Strategy A.1.2 contingent on the appropriations from the WRMA being sufficient to cover appropriations to the Public Utility Commission (PUC), and Office of Public Utility Counsel (OPUC), and TCEQ, as well as any additional costs appropriated from the account. The rider allows TCEQ to raise fees to ensure appropriated levels of revenue. (See Selected Fiscal and Policy Issues – Senate, Item 4).

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

Section 5

	2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items - In Agency Priority Order

1)	Authorization: Transfer of Fund Balance: A new rider authorizing TCEQ to transfer the fund balance from the Used Oil Recycling Account Fund No. 146 to the Water Resource Management Account (WRMA) No. 153 at the end of each fiscal year in order to mitigate revenue shortfalls in the WRMA. This would require statutory change.	\$0	\$0	0.0	No	No	\$0
2)	Public Drinking Water (PDW) Needs: WRMA funding to support the PDW compliance program, the PDW conference, and the Texas Water/Wastewater Agency response Network (TXWARN), activities previously supported by the Drinking Water State Revolving Fund grant. The PDW compliance program collects water samples and provides financial, managerial, and technical assistance on-site visits. The PDW Conference provides compliance training on new rules to public water systems and other public entities. TXWARN activities include promoting statewide emergency preparedness and disaster response, as well as training for small and underfunded systems.	\$5,442,712	\$5,442,712	0.0	No	Yes	\$5,442,712
3)	Agency Operational Needs: Funding from various General Revenue-Dedicated accounts to cover costs associated with providing community response, records management, technology upgrades, and building repairs.	\$3,302,000	\$3,302,000	0.0	No	Yes	\$3,302,000
4)	Water Quality Needs: WRMA funding for water quality monitoring instruments for the collection and analysis of surface water quality monitoring data, Total Maximum Daily Loads (TMDL) contract, wastewater permitting support, the Clean Rivers program, and agency operational expenses.	\$1,085,782	\$1,085,782	0.0	No	Yes	\$1,139,282
5)	Revised Total Coliform Rule: WRMA funding and additional staff to comply with the new Federal Revised Total Coliform Rule (RTCR). Funding would support compliance training, outreach events, increase financial, managerial, and technical assistance support, and operator training; additional staff are requested to review and approve RTCR assessments. All public water systems must comply with the new RTCR requirements.	\$2,709,308	\$2,709,308	14.0	No	Yes	\$2,546,708

Commission on Environmental Quality
Items Not Included in Recommendations - Senate

Section 5

		2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
		GR & GR-D	All Funds	FTEs			
6)	Targeted Salary Increases: Funding from various General Revenue-Dedicated accounts for targeted job classifications to bring the agency's average salaries closer to state averages and reduce turnover. The classifications of interest include natural resource specialists, accountants, auditors, contract specialists, electronics technicians, engineers, geoscientists, planners, and systems analysts.	\$2,000,000	\$2,000,000	0.0	No	No	\$2,000,000
7)	Critical Technology Upgrade (CTU) Project: Funding from various General Revenue-Dedicated accounts to modernize key enterprise information technology applications identified as legacy systems authorized by HB 2738, Eighty-Third Legislature. This request is coupled with a rider exempting TCEQ from provisions of Article IX relating to the inclusion of temporary or contract workers in the calculation of the number of FTE provisions by a state agency.	\$10,016,000	\$10,016,000	0.0	Yes	Yes	\$9,700,000
8)	West County Road 112 Ground Water Plume Filtration Systems: Funding from the General Revenue-Dedicated Hazardous and Solid Waste Remediation Fees Account No. 550 to support the monitoring, maintenance, and installation of filtration systems on private water wells impacted with total chromium contamination above the federal maximum contaminant level at the West County Road 112 Ground Water Plume Federal Superfund Site.	\$2,500,000	\$2,500,000	0.0	No	Yes	\$0
9)	EPA Resource Conservation and Recovery Act (RCRA) Funding Reductions: Funding from the General Revenue-Dedicated Waste Management Account No. 549 to replace Federal Funds that were reduced for the RCRA program. Recommendations include an agency anticipated reduction in Performance Partnership Grants of approximately \$1.3 million in 2019 for this purpose.	\$1,048,000	\$1,048,000	0.0	No	No	\$1,048,000

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

Section 5

		2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
		GR & GR-D	All Funds	FTEs			
10)	Litigation Expenses for the Rio Grande Compact Commission: General Revenue funding and corresponding revisions to Rider 27, Litigation Expenses for the Rio Grande Compact Commission, for litigation expenses to present Texas's complaint before the Supreme Court. Litigation expenses include funding for expert witnesses and trial preparation costs. The request includes an additional \$1.5 million in General Revenue carried forward from the 2016-17 biennium, as well as an additional \$5.0 million. (See Selected Fiscal and Policy Issues - Senate, Item 3, and Rider Highlights - Senate, Rider 28).	\$6,500,000	\$6,500,000	0.0	No	Yes	\$2,800,000
11)	Funding for Leases: Funding from various General Revenue-Dedicated accounts for facility leases in Austin, Corpus Christi, and Lubbock, as well as boat storage leases in Houston.	\$2,177,848	\$2,177,848	0.0	No	No	\$2,575,468
12)	Take Care of Texas: Funding from the General Revenue-Dedicated Clean Air Account No. 151 (\$774,356) and the WRMA (\$1,161,532) for a statewide campaign that encourages all Texans to keep the state's air and water clean, conserve water and energy, reduce waste, and save money in the process.	\$1,935,888	\$1,935,888	0.0	No	Yes	\$1,935,888
13)	SORM Auto, Property, Marine Insurance: Funding from various General Revenue-Dedicated accounts to purchase physical damage insurance through the State Office of Risk Management (SORM)'s Statewide Auto Insurance Policy, transferring risk from auto losses to a highly rated insurance company.	\$246,408	\$246,408	0.0	No	No	\$246,408
14)	Emissions Banking and Trading Support: Funding from the General Revenue-Dedicated Clean Air Account No. 151 (\$417,990) and the General Revenue-Dedicated Operating Permit Fees Account No. 5094 (\$99,770) and additional staff to process area and mobile source emissions credit applications and support the Emissions Banking and Trading Program.	\$517,760	\$517,760	5.0	No	No	\$491,360

Commission on Environmental Quality
Items Not Included in Recommendations - Senate

Section 5

		2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
		GR & GR-D	All Funds	FTEs			
15)	Environmental Radiation and Perpetual Care: General Revenue funding identified by TCEQ as having been deposited to General Revenue in the 2014-15 biennium instead of being deposited into the General Revenue-Dedicated Environmental Radiation and Perpetual Care Account No. 5158 (Account 5158) as a result of the funds consolidation bill SB 347, Eighty-Third Legislature. The introduced bill currently appropriates to TCEQ the revenue deposited into Account 5158 in the 2018-19 biennium through Rider 15, Environmental Radiation and Perpetual Care, in the event of an incident involving the release of radioactive materials at a disposal, source material recovery, processing, or storage facility licensed by TCEQ.	\$13,126,747	\$13,126,747	0.0	No	No	\$0
16)	Contingency Appropriation: Water Resource Management Account: The agency requests that the rider be deleted.	\$0	\$0	0.0	No	No	\$0
TOTAL Items Not Included in Recommendations		\$52,608,453	\$52,608,453	19.0			\$33,227,826

Commission on Environmental Quality
Appendices - Senate

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

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
AIR QUALITY ASSESSMENT AND PLANNING A.1.1	\$414,495,018	\$385,161,643	(\$29,333,375)	(7.1%)	The recommended decrease of \$29,333,375 is comprised primarily of the following: a) A decrease of \$27,657,652 General Revenue-Dedicated Texas Emissions Reduction Program (TERP) Account No. 5071 funding. This reduction was submitted as part of the agency's 4 percent reduction. (See Selected Fiscal and Policy Issues, Item 1). b) An increase of \$395,079 in Federal Funds from an increase in Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act to support indoor environmental demonstration projects, outreach and training, and demonstrations relating to air pollution. c) A decrease of \$223,604 in Federal Funds as a result of the State Clean Diesel Grant Program ending, which provided grants, rebates, and loans related to the reduction of diesel emissions. d) A decrease of \$1,659,327 in Federal Funds as a result of reductions to the Homeland Security Biowatch Program. Funds are used to detect the intentional release of select aerosolized biological agents and respond to a bioterrorist event in metropolitan areas.
WATER ASSESSMENT AND PLANNING A.1.2	\$60,629,672	\$55,849,269	(\$4,780,403)	(7.9%)	The recommended decrease of \$4,780,403 is comprised of the following: a) A decrease of \$1,064,195 in Interagency Contracts as a result of the Coastal Impact Assistance Program expiring at the end of fiscal year 2016 (\$496,000), and the grant received from the Governor's Office for the Deepwater Horizon Oil Spill (\$568,000, used for salaries, travel, and the RESTORE website). b) A decrease of \$1,720,920 in Federal Funds associated with one-time funding increase for the Water Pollution Control Grants used to prevent and control pollution of surface and ground water.

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

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
					c) A decrease of \$1,959,081 in Federal Funds associated with a carry over of funds for the Nonpoint Source Implementation Grants, which are primarily passed through to local entities who monitor water quality.
WASTE ASSESSMENT AND PLANNING A.1.3	\$13,373,827	\$13,375,857	\$2,030	0.0%	
AIR QUALITY PERMITTING A.2.1	\$30,850,702	\$31,138,713	\$288,011	0.9%	The recommended increase of \$288,011 (comprised primarily of \$188,501 in General Revenue-Dedicated Clean Air Account No. 151 funding and \$105,510 in General Revenue-Dedicated Operating Permit Fees Account No. 5094) reflects a change in funding from the Enforcement & Compliance Support (C.1.2) and the Pollution Prevention & Recycling (C.1.3) Strategies.
WATER RESOURCE PERMITTING A.2.2	\$31,974,224	\$31,189,264	(\$784,960)	(2.5%)	The recommended decrease of \$784,960 is comprised primarily of the following: a) A decrease of \$236,323 in General Revenue (\$2,397) and General Revenue-Dedicated Water Resource Management Account No. 153 (\$233,926) funding to reflect a shift in expenses for vehicles for the Field Inspections and Complaints Strategy (C.1.1). b) A decrease of \$450,048 in Federal Funds resulting from the one-time discretionary grants for the Environmental Information Exchange Network Grant Program, which was used to facilitate data exchange between the EPA, states, tribes and territories. c) A decrease of \$128,900 in Federal Funds resulting from a decrease in funding for the Water Pollution Control Grants used to prevent and control pollution of surface and ground water.
WASTE MANAGEMENT AND PERMITTING A.2.3	\$18,950,261	\$18,207,040	(\$743,221)	(3.9%)	The recommended decrease of \$743,221 is comprised primarily of the following: a) A decrease of \$154,491 in General Revenue-Dedicated Waste Management Account No. 549 funding to reflect a shift in expenses for vehicles for the Field Inspections and Complaints Strategy (C.1.1).

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

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
					b) A decrease of \$578,945 in Federal Funds to reflect reduced funding from EPA for the Performance Partnership Grant for the Resource Conservation and Recovery Act allocation which is used to identify, manage, and safely dispose of industrial and hazardous waste.
OCCUPATIONAL LICENSING A.2.4	\$2,619,166	\$2,619,164	(\$2)	(0.0%)	
RADIOACTIVE MATERIALS MGMT A.3.1	\$8,365,309	\$6,072,516	(\$2,292,793)	(27.4%)	The recommended decrease of \$2,292,793 in General Revenue-Dedicated Environmental Radiation & Perpetual Care Account No. 5158 is primarily due to one-time funding for a clean up in Live Oak County for the Lamprecht mine site and the Zamzoe mine site. This reduction was submitted by the agency as part of the 4 percent reduction.
Total, Goal A, ASSESSMENT, PLANNING AND PERMITTING	\$581,258,179	\$543,613,466	(\$37,644,713)	(6.5%)	
SAFE DRINKING WATER B.1.1	\$31,803,022	\$28,512,260	(\$3,290,762)	(10.3%)	The recommended decrease of \$3,290,762 is comprised primarily of a decrease of \$3,304,225 in Interagency Contracts related to a reduction in the Drinking Water State Revolving Fund (DWSRF). DWSRF funds are used to ensure that the Safe Drinking Water Act's standards are followed. The DWSRF unliquidated obligations (funds not spent after a grant period has closed) has bolstered funding in the past, but is expected to be depleted by fiscal year 2017.
Total, Goal B, DRINKING WATER	\$31,803,022	\$28,512,260	(\$3,290,762)	(10.3%)	
FIELD INSPECTIONS & COMPLAINTS C.1.1	\$92,624,697	\$92,676,189	\$51,492	0.1%	The recommended increase of \$51,492 is comprised primarily of the following: a) A net increase of \$850,639 in General Revenue and various General Revenue-Dedicated accounts to reflect a shift in expenses for vehicles. b) A decrease of \$151,741 in Appropriated Receipts reflecting a carry over of cost recovery funds from Hurricane Ike in fiscal year 2012. The funds are carried forward for utilization to support natural disasters when needed.

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

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
					c) A decrease of \$492,597 in Federal Funds to reflect reduced funding from EPA for the Performance Partnership Grant for the Resource Conservation Recovery Act allocation which is used to identify, manage, and safely dispose of industrial and hazardous waste. d) A decrease of \$114,180 in Interagency Funds related to a reduction in the Drinking Water State Revolving Fund and Pantex grants. Pantex grants are passed through from the Governor's Office, and originated with the U.S. DOE. They are for air quality monitoring in the vicinity of the Pantex facility.
ENFORCEMENT & COMPLIANCE SUPPORT C.1.2	\$32,567,399	\$28,393,053	(\$4,174,346)	(12.8%)	The recommended decrease of \$4,174,346 is comprised of the following: a) A decrease of \$4 million in General Revenue-Dedicated Workplace Chemicals List Account No. 5020 to reflect one-time grants for communities to create and execute emergency response plans for hazardous chemical events. This reduction was submitted by the agency as part of their 4 percent reduction. b) A decrease of \$174,346 in various General Revenue-Dedicated Accounts and Federal Funds for a realignment of funding to the Air Quality Permitting (A.2.1) Strategy.
POLLUTION PREVENTION RECYCLING C.1.3	\$5,533,613	\$5,153,190	(\$380,423)	(6.9%)	The recommended decrease of \$380,423 is comprised primarily of the following: a) A decrease of \$250,000 in General Revenue-Dedicated Waste Management Account No. 549 for one-time funding for a study to review the current and potential economic impacts of recycling for House Bill 2763, Eighty-Fourth Legislature. b) A decrease of \$119,000 in various General Revenue-Dedicated accounts to support the Take Care of Texas Program.
Total, Goal C, ENFORCEMENT AND COMPLIANCE SUPPORT	\$130,725,709	\$126,222,432	(\$4,503,277)	(3.4%)	

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

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
STORAGE TANK ADMIN & CLEANUP D.1.1	\$38,858,976	\$38,212,260	(\$646,716)	(1.7%)	The recommended decrease includes a reduction of \$663,306 in General Revenue-Dedicated Petroleum Storage Tank Account No. 655 due to a realignment of funds with the Field Inspections and Complaints Strategy, offset by an increase of \$16,590 in the Federal Funds Leaking Underground Storage Tank Trust Fund Corrective Action Program.
HAZARDOUS MATERIALS CLEANUP D.1.2	\$49,796,699	\$45,192,464	(\$4,604,235)	(9.2%)	The recommended decrease of \$4,604,235 is primarily comprised of the following: a) A decrease of \$1,450,516 in General Revenue-Dedicated Hazardous and Solid Waste Remediation Account No. 550 funding associated with one-time funding received for a closed battery recycling facility; this reduction was submitted as part of the agency's 4 percent reduction. b) A decrease of \$3,231,071 in Appropriated Receipts associated with a carry over of cost recovery funds. These cost recovery funds are collected from the responsible parties related to Superfund and Natural Resource Damage Assessment (NRDA) sites, and are used for clean ups, site assessments, filtration systems, and restoration projects.
Total, Goal D, POLLUTION CLEANUP	\$88,655,675	\$83,404,724	(\$5,250,951)	(5.9%)	
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	\$5,399,992	\$1,399,992	(\$4,000,000)	(74.1%)	The recommended decrease of \$4 million in General Revenue funding is associated with reduced funding for investigations and legal expenses due to the litigation extending into the 2020-21 biennium. (See Selected Fiscal and Policy Issues, Item 3)
SABINE RIVER COMPACT E.1.5	\$124,222	\$124,222	\$0	0.0%	
Total, Goal E, RIVER COMPACT COMMISSIONS	\$5,902,430	\$1,902,430	(\$4,000,000)	(67.8%)	

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

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
CENTRAL ADMINISTRATION F.1.1	\$39,650,867	\$40,571,578	\$920,711	2.3%	The recommended increase of \$920,711 in various General Revenue-Dedicated accounts reflects a realignment of funds from the Support Services Strategy (F.1.3).
INFORMATION RESOURCES F.1.2	\$45,965,555	\$45,955,367	(\$10,188)	(0.0%)	The recommended decrease of \$10,188 is comprised of the following: a) An increase of \$233,568 in various General Revenue-Dedicated accounts reflecting a shift in funding from various strategies and capital items. b) A decrease of \$243,756 in General Revenue funding for the Data Center Consolidation Capital Budget item.
OTHER SUPPORT SERVICES F.1.3	\$17,574,731	\$16,058,702	(\$1,516,029)	(8.6%)	The recommended decrease of \$1,516,029 in various General Revenue-Dedicated accounts reflects a realignment of funds to the Central Administration (F.1.1) strategy, and the alignment of telecommunications team funding with their move to the Information Resources (F.1.2) strategy.
Total, Goal F, INDIRECT ADMINISTRATION	\$103,191,153	\$102,585,647	(\$605,506)	(0.6%)	
Grand Total, All Strategies	\$941,536,168	\$886,240,959	(\$55,295,209)	(5.9%)	

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

Appendix B

Program	Est 2016	Bud 2017	Rec 2018	Rec 2019	2016-17 Base	2018-19 Rec	2018-19 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Performance Partnership Grants	\$21.5	\$21.2	\$20.7	\$20.7	\$42.7	\$41.4	55.4%	(\$1.3)	(3.0%)
Water Pollution Control State and Interstate Program Support	\$4.6	\$4.9	\$3.8	\$3.8	\$9.4	\$7.6	10.1%	(\$1.8)	(19.6%)
Nonpoint Source Implementation Grants	\$3.8	\$2.9	\$2.4	\$2.4	\$6.7	\$4.8	6.4%	(\$2.0)	(29.1%)
Leaking Underground Storage Tank Trust Fund	\$2.3	\$2.3	\$2.3	\$2.3	\$4.7	\$4.7	6.3%	\$0.0	0.4%
Homeland Security Biowatch Program	\$3.5	\$2.4	\$2.1	\$2.1	\$5.9	\$4.3	5.7%	(\$1.7)	(28.0%)
Surveys, Studies, Invest, Demos, Related CAA	\$1.3	\$1.7	\$1.7	\$1.7	\$3.1	\$3.5	4.6%	\$0.4	12.9%
State Underground Storage Tanks Program	\$1.3	\$1.3	\$1.3	\$1.3	\$2.6	\$2.6	3.5%	\$0.0	0.0%
Water Quality Management Planning	\$0.6	\$0.5	\$0.5	\$0.5	\$1.1	\$1.1	1.5%	(\$0.0)	(3.0%)
National Dam Safety Program	\$0.5	\$0.5	\$0.5	\$0.5	\$1.1	\$1.1	1.4%	\$0.0	0.0%
National Estuary Program	\$0.3	\$0.7	\$0.5	\$0.5	\$1.0	\$1.0	1.4%	\$0.0	0.9%
State and Tribal Response Program	\$0.5	\$0.5	\$0.5	\$0.5	\$1.0	\$1.0	1.4%	\$0.1	5.5%
Superfund State Site Specific	\$0.4	\$0.4	\$0.4	\$0.4	\$0.8	\$0.9	1.2%	\$0.1	7.8%
State Memorandum of Agreement	\$0.3	\$0.3	\$0.3	\$0.3	\$0.5	\$0.5	0.7%	\$0.0	1.5%
Superfund State Core Program Cooperative Agreements	\$0.2	\$0.2	\$0.2	\$0.2	\$0.4	\$0.4	0.5%	(\$0.0)	(9.5%)
State Clean Diesel Grant Program	\$0.2	\$0.0	\$0.0	\$0.0	\$0.2	\$0.0	0.0%	(\$0.2)	(100.0%)
Environmental Information Exchange Network and Related Assistance	\$0.4	\$0.3	\$0.0	\$0.0	\$0.7	\$0.0	0.0%	(\$0.7)	(100.0%)
TOTAL:	\$41.8	\$40.2	\$37.4	\$37.4	\$82.0	\$74.8	100.0%	(\$7.2)	(8.8%)

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

Appendix C

Full-Time-Equivalent Positions	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
Cap	2,756.2	2,780.2	2,780.2	2,780.2	2,780.2
Actual/Budgeted	2,689.2	2,697.0	2,780.2	2,780.2	2,780.2

Schedule of Exempt Positions (Cap)

Executive Director, Group 7	\$175,944	\$210,695	\$210,695	\$210,695	\$210,695
Commissioner, (Chair) Group 6	\$154,530	\$184,500	\$184,500	\$184,500	\$184,500
Commissioner, Group 6	(2) \$154,530	(2) \$184,500	(2) \$184,500	(2) \$184,500	(2) \$184,500
Red River Compact Commissioner	\$24,225	\$24,831	\$24,831	\$24,831	\$24,831
Rio Grande Compact Commissioner	\$41,195	\$42,225	\$42,225	\$42,225	\$42,225
Sabine River Compact Commissioner	(2) \$8,787	(2) \$9,007	(2) \$9,007	(2) \$9,007	(2) \$9,007
Canadian River Compact Commissioner	\$10,767	\$11,036	\$11,036	\$11,036	\$11,036
Pecos River Compact Commissioner	\$32,247	\$33,053	\$33,053	\$33,053	\$33,053

Notes:

a) Thirteen FTEs were transferred from the Department of State Health Services in 2016-17 as conditioned by Article IX, Section 18.17. This transfer was contingent on the enactment of HB 942 Hazardous Chemicals Act, which transferred the duties outlined in Health and Safety Code, Chapters 505, 506, and 507. These chapters are concerning the collection of information on hazardous chemicals present in facilities for the purpose of community right-to-know.

**Commission on Environmental Quality
Performance Measure Highlights - Senate**

Appendix D

	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
Percent of Texans Living Where Air Meets Federal Air Quality Standard <i>Measure Explanation: This measures the percent of Texans living in areas where the air meets the federal Air Quality Standard. The ozone standard was altered in 2015 by the EPA from 75 ppb to 70 ppb, which increases the number of non-attainment areas in Texas without worsening the air quality of those areas. The percentage for 2017 will most likely be lower than budgeted.</i>	46.0	45.0	62.0	42.0	42.0
Number of Vehicles Repaired and/or Replaced Through LIRAP Assistance <i>Measure Explanation: The number of vehicles that are repaired and/or replaced through the Low-Income Vehicle Repair Retrofit and Accelerated Retirement Assistance Program (LIRAP). Funding was reduced in 2012-15, but was increased to a level comparable to pre-2012 levels in 2016-17. The increase in this measure is a result of this increased funding.</i>	4,914	5,314	12,387	17,000	17,000
Number of Tons of Nitrogen Oxides Reduced per Year through Texas Emissions Reduction Plan Expenditures <i>Measure Explanation: The average cost per ton of NOx emissions projected to be reduced through projects funding by TERP incentive grants awarded each year. The vast majority of the quantifiable reductions in NOx are from the Diesel Emissions Reductions Incentive Grant program of TERP.</i>	9,967	6,115	8,403	9,543	10,156

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

Appendix E

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
1)	Data Center Services	Business application priorities will be impacted by limiting and/or eliminating application enhancements for fiscal year 2018. All development environments would be decommissioned, which would impact the agency's ability to make changes to applications or to develop new applications in a shared and organized manner. The time over which agency data backups are kept would be reduced from 60 to 30 days.	\$1,172,141	\$1,172,141	0.0	\$0	5.0%	Partial
2)	Texas Emissions Reduction Plan (TERP)	The reduction in funding would impact the performance measure targets for the TERP Output Measure in Strategy A.1.1, Number of Tons of Nitrogen Oxides Reduced Per Year through Texas Emissions Reduction Plan Expenditures, by reducing the funding for the Diesel Emission Reduction Incentive Program (DERI program) by \$34,196,888. This measure shows the amount of NOx emissions projected to be reduced though projects funded under the DERI program each year. Based on a projected average cost per ton of NOx reduced of \$8,500, the baseline targets for this measure are 9,543 tons in FY 2018 and 10,156 tons in FY 2019. This reduction in funding for the DERI program would reduce the projected amounts by approximately 2,000 tons per fiscal year. The projected amount for the 2018-19 biennium would decrease from 19,699 tons to 15,699 tons. Based on an average grant of between \$30,000 and \$70,000 per funded activity, the reduced funding could additionally result in between 1,000 and 500 fewer vehicles and pieces of equipment being replaced or upgraded under the DERI program. The Texas Clean School Bus Program would be able to fund approximately 155 fewer bus upgrades. The New Technology Implementation Grants Program could potentially fund one to two fewer new technology and energy storage projects. The Alternative Fueling Facilities program could also potentially fund one to two fewer alternative fueling stations. Finally, the reduction in funding for the Drayage Truck Incentive Program could result in 13 fewer drayage vehicles being replaced or upgraded.	\$38,966,642	\$38,966,642	0.0	\$0	18.7%	Partial

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

Appendix E

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
3)	Data Center Services	Business application priorities will be impacted by limiting and/or eliminating application enhancements for fiscal year 2018. All development environments would be decommissioned, which would impact the agency's ability to make changes to applications or to develop new applications in a shared and organized manner. The time over which agency data backups are kept would be reduced from 60 to 30 days.	\$1,172,141	\$1,172,141	0.0	\$0	5.0%	No
4)	Texas Emissions Reduction Plan (TERP)	The reduction in funding would impact the performance measure targets for the TERP Output Measure in Strategy A.1.1, Number of Tons of Nitrogen Oxides Reduced Per Year through Texas Emissions Reduction Plan Expenditures, by reducing the funding for the DERI program by \$68,393,776. This measure shows the amount of NOx emissions projected to be reduced though projects funded under the DERI program each year. This reduction would reduce the projected amounts by approximately 4,000 tons per fiscal year. The projected amount for the 2018-19 biennium would decrease from 19,699 tons to 11,699 tons. Based on an average grant of between \$30,000 and \$70,000 per funded activity, the reduced funding could additionally result in between 2,300 and 1,000 fewer vehicles and pieces of equipment being replaced or upgraded under the DERI program. The Texas Clean School Bus Program would be able to fund approximately 310 fewer bus upgrades. The New Technology Implementation Grants Program could potentially fund two to three fewer new technology and energy storage projects. The Alternative Fueling Facilities program could also potentially fund two to three fewer alternative fueling stations. Finally, the reduction in funding for the Drayage Truck Incentive Program could result in 26 fewer drayage vehicles being replaced or upgraded.	\$38,966,642	\$38,966,642	0.0	\$0	18.7%	No
TOTAL, 10% Reduction Options			\$80,277,566	\$80,277,566	0.0	\$0		