

## **Texas Commission on Environmental Quality**

INTEROFFICE MEMORANDUM

**To:** Commissioners' Agenda **Date:** August 1, 2016

**Thru:** John Racanelli  
Deputy, Office of Administrative Services

**From:** Liz Day  
Chief Financial Officer

Elizabeth Sifuentez Koch  
Director, Budget and Planning Division

**Subject:** Agency's FY 2017 Operating Budget and  
FY 18/19 Legislative Appropriations Request

### **Issue:**

Consideration and Approval of the Agency's FY 2017 Operating Budget and the FY 2018/2019 Legislative Appropriations Request (LAR).

### **Background and Current Practice:**

The agency was appropriated funds during the 84<sup>th</sup> Legislative Session in the 2016/2017 General Appropriations Act. We would like to present the recommended operating budget for FY 2017 for consideration and approval by the Commission.

The information is arranged in the agency's organizational structure and includes budget comparisons between FY 2016 and FY 2017. Each year the agency develops a financial plan which determines how those appropriations will be distributed across the agency.

The LAR represents the financial needs of the Agency. Guidance and instructions were provided by the Governor's Office of Budget and Planning and Policy and the Legislative Budget Board.

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# Texas Commission on Environmental Quality



## Summary of the FY 2017 Recommended Operating Budget

August 3, 2016

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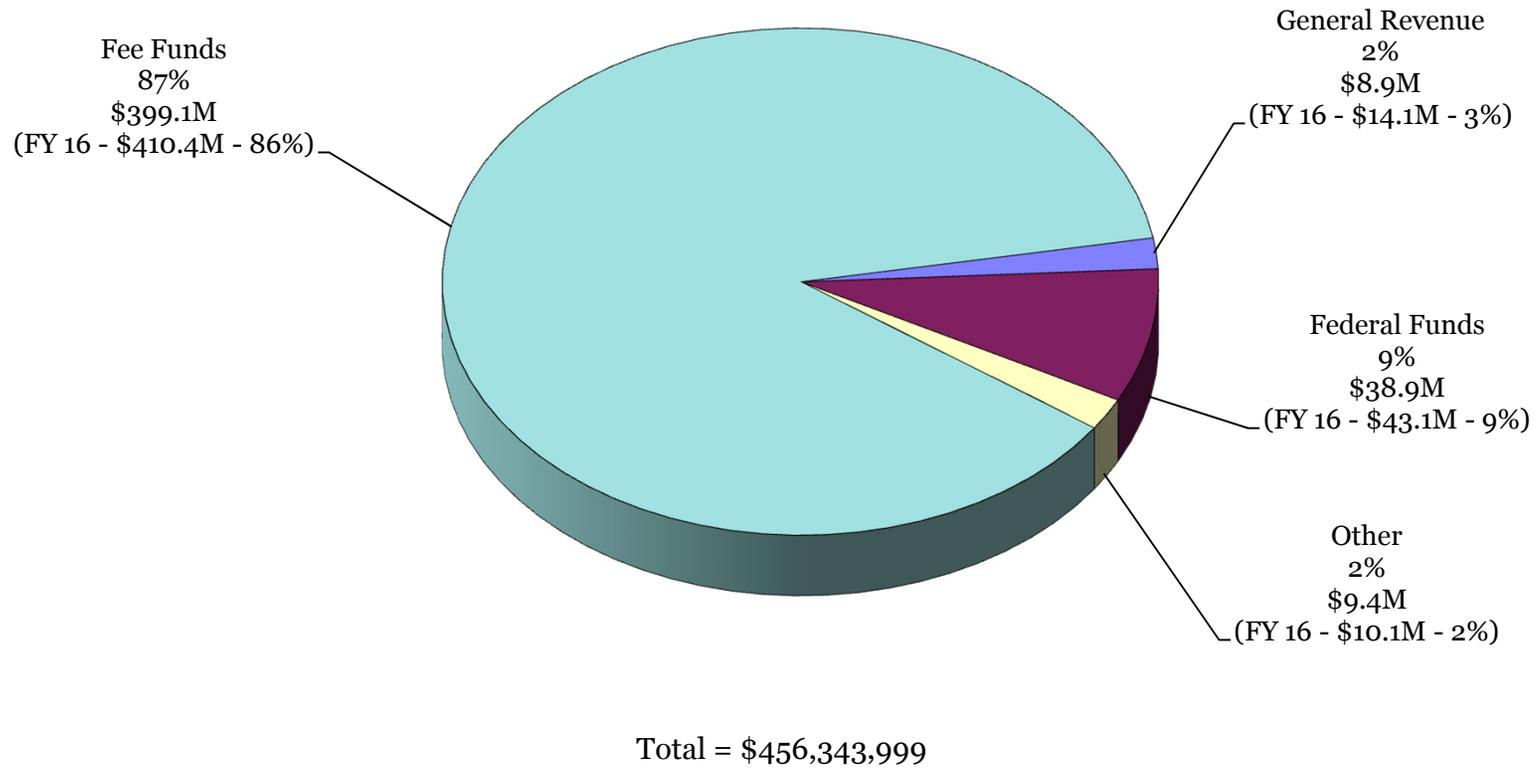
**Texas Commission on Environmental Quality  
FY 2017 Operating Budget**

**Appropriation Summary**

	FY 2016		FY 2017	
	Budget	FTE	Budget	FTE
<b>Baseline Appropriations</b>				
Article VI - Baseline	\$ 461,944,916	2,767.2	\$ 445,896,270	2,767.2
<b>Rider Appropriations</b>				
Article VI, Rider 21: Increased Fee Rates at Watermaster Office	29,455	0.0	0	0.0
Article VI, Rider 30: Expedited Processing of Permit Applications	475,000	0.0	0	0.0
	<b>504,455</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Other Appropriations and Reductions</b>				
Article IX, Section 13.01: Federal Funds/Block Grants	6,658,049	0.0	3,495,308	0.0
Article IX, Section 8.02: Reimbursements and Payments	241,457	0.0	0	0.0
Article IX, Section 18.02: Salary Increase for State Employees	3,653,624	0.0	3,653,624	0.0
Article IX, Section 18.17: HB 942 Hazardous Chemicals (DSHS transfer)	3,044,591	13.0	3,298,797	13.0
Article IX, Section 18.31: HB 7 Closed Battery Recycling	1,700,000	0.0	0	0.0
Article IX, Sec 8.13: Appropriation of Specialty License Plate Receipts	942	0.0	0	0.0
	15,298,663	13.0	10,447,729	13.0
<b>Total Appropriations</b>	<b>\$ 477,748,034</b>	<b>2,780.2</b>	<b>\$ 456,343,999</b>	<b>2,780.2</b>

**Texas Commission on Environmental Quality  
FY 2017 Operating Budget**

**Method of Finance**



**Texas Commission on Environmental Quality  
FY 2017 Operating Budget**

**Table I - FTE Comparison Summary**

<b>Office</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>Difference</b>
Commissioners	69.20	69.20	0.00
Executive	108.60	108.60	0.00
Office of Administrative Services	361.10	361.10	0.00
Office of Compliance & Enforcement	1,012.70	1,014.70	2.00
Office of Legal Services	140.70	140.70	0.00
Office of Waste	321.30	321.30	0.00
Office of Water	386.60	386.60	0.00
Office of Air	373.00	373.00	0.00
Agency Wide	7.00	5.00	(2.00)
<b>Agency Total</b>	<u><u>2,780.20</u></u>	<u><u>2,780.20</u></u>	<u><u>0.00</u></u>

**Texas Commission on Environmental Quality  
FY 2017 Operating Budget**

**Table II - Budget Comparison Summary**

<b>Office</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>Difference</b>	<b>% Change</b>
Commissioners	\$ 5,952,505	\$ 6,248,550	\$ 296,045	4.97%
Executive	14,828,059	10,232,575	(4,595,484)	(30.99%)
Office of Administrative Services	55,889,219	54,428,186	(1,461,033)	(2.61%)
Office of Compliance & Enforcement	79,146,811	77,863,375	(1,283,436)	(1.62%)
Office of Legal Services	9,779,963	9,839,537	59,574	0.61%
Office of Waste	56,418,880	54,904,717	(1,514,163)	(2.68%)
Office of Water	56,547,625	48,406,919	(8,140,706)	(14.40%)
Office of Air	194,940,357	191,415,270	(3,525,087)	(1.81%)
Agency Wide	4,244,615	3,004,870	(1,239,745)	(29.21%)
<b>Agency Total</b>	<b><u>\$ 477,748,034</u></b>	<b><u>\$ 456,343,999</u></b>	<b><u>\$ (21,404,035)</u></b>	<b><u>(4.48%)</u></b>

**Texas Commission on Environmental Quality  
FY 2017 Operating Budget**

**Table III - Budget Category Comparison**

Budget Category	FY 2016	FY 2017	Difference	% Change
Salaries				
Salaries	\$ 160,952,488	\$ 165,091,899	\$ 4,139,411	2.57%
Salary Enhancements	3,450,000	3,450,000	-	0.00%
Subtotal	<u>\$ 164,402,488</u>	<u>\$ 168,541,899</u>	<u>\$ 4,139,411</u>	<u>2.52%</u>
Other Operating Costs				
Professional/Temporary	44,607,481	37,087,669	(7,519,812)	(16.86%)
Travel In-State	1,783,849	1,781,413	(2,436)	(0.14%)
Travel Out-of-State	361,224	282,040	(79,184)	(21.92%)
Training	1,640,335	1,678,912	38,577	2.35%
Rent-Building	5,454,755	5,356,182	(98,573)	(1.81%)
Postage	813,980	775,494	(38,486)	(4.73%)
Telephone & Utilities	1,731,263	1,952,822	221,559	12.80%
Supplies	739,186	768,551	29,365	3.97%
Capital (not limited to LAR Capital)	5,963,722	2,401,782	(3,561,940)	(59.73%)
Other Operating Costs	11,672,584	9,666,481	(2,006,103)	(17.19%)
Fuels & Lubricants	627,716	604,645	(23,071)	(3.68%)
Rent-Machine and Other	999,851	985,105	(14,746)	(1.47%)
Facilities, Furnishings & Equipment	6,076,357	5,662,087	(414,270)	(6.82%)
Subtotal	<u>\$ 82,472,303</u>	<u>\$ 69,003,183</u>	<u>\$ (13,469,120)</u>	<u>(16.33%)</u>
Remediation, Reimbursements & Grant Contracts				
Other Remediation, Reimbursements & Grants	120,432,961	109,586,281	(10,846,680)	(9.01%)
Texas Emissions Reduction Plan Grants	110,440,282	109,212,636	(1,227,646)	(1.11%)
Subtotal	<u>\$ 230,873,243</u>	<u>\$ 218,798,917</u>	<u>\$ (12,074,326)</u>	<u>(5.23%)</u>
	<u><u>\$ 477,748,034</u></u>	<u><u>\$ 456,343,999</u></u>	<u><u>\$ (21,404,035)</u></u>	<u><u>(4.48%)</u></u>
<b>Agency Total</b>				

**Texas Commission on Environmental Quality  
FY 2017 Operating Budget**

**Table IV - Remediation, Reimbursement and Grant (RRG) Contracts**

**Remediation, Reimbursement and Grant Contracts**

Air Quality and Monitoring Grants	\$ 6,177,833
Drinking Water Quality and Standards Grants	3,349,880
Dry Cleaning Facilities	3,342,584
Estuary Programs	1,300,304
Local Air Grants - Federal	862,500
Local Air Grants - State	1,751,863
Low Income Vehicle Repair Program	48,043,825
Misc RRG Contracts	859,270
Other Remediation	2,546,691
Petroleum Storage Tank Program	14,877,781
Solid Waste Management Grants	5,493,162
Superfund	9,418,639
Texas Emission Reduction Plan Grants	109,212,636
Water Quality and Monitoring Grants	7,311,659
Water Quality Clean Rivers	4,250,290
<b>Agency Total</b>	<b><u>\$ 218,798,917</u></b>

**Texas Commission on Environmental Quality  
FY 2017 Operating Budget**

**Table V - Capital Budget Comparison**

	FY 2016	FY 2017	Difference
<b>Information Technology</b>			
Data Center Consolidation	\$ 11,663,310	\$ 12,122,879	\$ 459,569
Technology Operation & Security Infrastructure	619,253	586,500	(32,753)
Personal Computer Replacement	672,754	500,434	(172,320)
Printer Replacement	97,501	-	(97,501)
Telecommunications Migration and Regional Phone Replacement	<u>750,000</u>	<u>300,000</u>	<u>(450,000)</u>
Total Acquisition of Information Resource Technology	<b>\$ 13,802,818</b>	<b>\$ 13,509,813</b>	<b>\$ (293,005)</b>
<b>Vehicle Replacement</b>			
Replacement Vehicles for Agency Fleet	<u>1,426,000</u>	<u>754,000</u>	<u>(672,000)</u>
Total Vehicle Replacement	<b>\$ 1,426,000</b>	<b>\$ 754,000</b>	<b>\$ (672,000)</b>
<b>Acquisition of Capital Equipment and Items</b>			
Monitoring and Analysis Equipment	<u>2,660,590</u>	<u>210,000</u>	<u>(2,450,590)</u>
Total Acquisition of Capital Equipment and Items	<b>\$ 2,660,590</b>	<b>\$ 210,000</b>	<b>\$ (2,450,590)</b>
<b>Agency Total</b>	<b><u>\$ 17,889,408</u></b>	<b><u>\$ 14,473,813</u></b>	<b><u>\$ (3,415,595)</u></b>

**Texas Commission on Environmental Quality  
FY 2017 Operating Budget**

**Table VI - Information Technology Project Descriptions**

<b>Project Name</b>	<b>Project Description</b>	<b>FY 2017</b>
Data Center Consolidation	The project consists of existing information technology infrastructure assets and functions in the scope of the Data Center Services Contract. Services include provision and management of application and utility servers, storage, system software, backup and recovery, and most utility and application software except for mission-specific applications. Service functions include system administration, physical database administration, procurement, and technical support.	\$ 12,122,879
Personal Computers Replacement	This project replaces personal computer workstations throughout the agency on an approximate 6 year lifecycle. The agency replaces approximately 20% of the agency's workstations each year and purchase a 4-year extended warranty with each system.	\$ 500,434
Technology Operation & Security Infrastructure	The Technology Operations and Security Infrastructure includes network and security hardware, software and management components, as well as providing for agency communications through internet video and mobility services. This plan replaces, adds capacity or capability to all aspects required to maintain agency wide technology demands and provides relevant security levels to the agency's technology and data needs. Major data and security hardware components have a typical life cycle between 5 and 7 years.	\$ 586,500
Telecommunications Migration and Regional Phone Replacement	This project will assist the agency to in moving towards migrating to a centralized telecommunications platform based on newer technology. This process will consist of adding new servers for unified communications, conferencing and call session management to the core of the Park 35 system. Many of the existing public branch exchanges (PBX) in the regional offices are end-of-life and will be replaced with telephone gateways that can be managed via the Park 35 system. The branch gateways will be configured to be survivable should the Park 35 system be disrupted.	\$ 300,000
<b>Total Information Technology Projects</b>		<b>\$ 13,509,813</b>

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# Texas Commission on Environmental Quality



## Summary of the Recommended 2018/2019 Legislative Appropriations Request

August 3, 2016

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# **Legislative Appropriations Request Fiscal Years 2018/2019**

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**Legislative Appropriations Request  
Fiscal Years 2018/2019**

**Summary of Reductions Schedule**

	<b>Baseline</b>	<b>4% Reduction</b>	<b>10% Reduction</b>
General Revenue Limit	24,419,609	976,784	2,344,283
General Revenue Dedicated Limit	809,521,669	32,380,867	77,714,080
<b>Total</b>	<b>833,941,278</b>	<b>33,357,651</b>	<b>80,058,363</b>

<b>Remediation and Grants</b>	<b>4% Reduction</b>	<b>10% Reduction Tier 1 - 5%</b>	<b>10% Reduction Tier 2 - 5%</b>
Data Center Services - GR only	976,784	1,172,142	1,172,141
TERP Grants	26,680,867	38,857,040	38,857,040
Hazardous Chemical Events Community Planning Grants	4,000,000		
Closed Battery Recycling	1,700,000	0	0
<b>Total</b>	<b>33,357,651</b>	<b>40,029,182</b>	<b>40,029,181</b>

**10% Reductions Proposed in Prior Biennia**

<b>Program</b>	<b>FY 2010-2011</b>	<b>FY 2012-2013</b>	<b>FY 2014-2015</b>	<b>FY 2016-2017</b>
Carrizo-Wilcox Aquifer	0	500,000	0	0
Closed Battery Recycling	0	0	0	1,500,000
Data Center Services	0	0	0	1,811,487
Dry Cleaners	4,000,000	1,000,000	4,000,000	0
Hawkins Waste & Scrap Tire Cleanup	0	1,200,000	0	0
LIRAP	20,000,000	38,000,000	0	0
Mickey Leland National Urban Air Toxics Research	0	1,000,000	0	0
Municipal Solid Waste Grants	0	0	6,000,000	0
Petroleum Storage Tank Cleanup	20,000,000	0	8,000,000	0
Superfund Cleanup	0	0	6,000,000	0
Texas Air Quality Study	700,000	0	0	0
TERP Grants	52,557,760	44,527,467	35,494,866	59,328,766
Vehicle Emission Analyzers	0	0	0	800,000
<b>Total</b>	<b>\$97,257,760</b>	<b>\$86,227,467</b>	<b>\$59,494,866</b>	<b>\$63,440,253</b>

**Legislative Appropriations Request  
Fiscal Years 2018/2019**

**Summary of Base Request by Method of Finance**

MOF	Method of Finance	2015 Expended	2016 Estimated	2017 Budget	2016/2017 Total	2018 Request	2019 Request	2018/2019 Total
0001	General Revenue	9,378,974	12,985,172	11,434,437	24,419,609	14,332,774	9,110,051	23,442,825
<b>Subtotal, General Revenue (GR)</b>		<b>\$ 9,378,974</b>	<b>\$ 12,985,172</b>	<b>\$ 11,434,437</b>	<b>\$ 24,419,609</b>	<b>\$ 14,332,774</b>	<b>\$ 9,110,051</b>	<b>\$ 23,442,825</b>
0088	Low Level Waste	1,399,810	1,507,364	1,507,360	3,014,724	1,507,364	1,507,360	3,014,724
0146	Used Oil Recycling	797,982	424,443	424,442	848,885	424,443	424,442	848,885
0151	Clean Air	54,437,911	102,715,653	95,294,136	198,009,789	102,451,722	95,558,067	198,009,789
0153	Water Resource Management	57,207,858	57,015,545	57,210,591	114,226,136	57,126,883	57,099,253	114,226,136
0158	Watermaster Administration	1,589,864	2,318,938	1,985,546	4,304,484	2,180,242	2,124,242	4,304,484
0468	Occupational Licensing	1,694,772	1,753,299	1,753,297	3,506,596	1,753,299	1,753,297	3,506,596
0549	Waste Management	30,313,417	32,344,381	32,516,950	64,861,331	32,466,116	32,395,215	64,861,331
0550	Hazardous & Solid Waste	24,213,002	22,397,872	24,972,027	47,369,899	22,857,932	22,811,927	45,669,859
0655	Petroleum Storage Tank	23,262,358	22,503,999	22,713,484	45,217,483	22,634,884	22,582,599	45,217,483
5000	Solid Waste Disposal	5,493,161	5,493,162	5,493,162	10,986,324	5,493,162	5,493,162	10,986,324
5020	Workplace Chemicals List	-	839,714	5,513,920	6,353,634	1,176,817	1,176,817	2,353,634
5065	Environmental Testing Lab	722,918	731,002	731,002	1,462,004	731,002	731,002	1,462,004
5071	Texas Emissions Reduction Plan	134,549,863	90,956,041	145,306,966	236,263,007	104,791,070	104,791,069	209,582,139
5093	Dry Cleaning Release	3,665,116	3,736,067	3,736,067	7,472,134	3,736,066	3,736,068	7,472,134
5094	Operating Permit Fees	32,604,981	32,906,564	32,718,715	65,625,279	32,814,518	32,810,761	65,625,279
<b>Subtotal, GR Dedicated</b>		<b>\$ 371,953,013</b>	<b>\$ 377,644,044</b>	<b>\$ 431,877,665</b>	<b>\$ 809,521,709</b>	<b>\$ 392,145,520</b>	<b>\$ 384,995,281</b>	<b>\$ 777,140,801</b>
0555	Federal Funds	41,230,972	41,793,704	40,201,665	81,995,369	37,406,958	37,406,958	74,813,916
<b>Subtotal, Federal Funds</b>		<b>\$ 41,230,972</b>	<b>\$ 41,793,704</b>	<b>\$ 40,201,665</b>	<b>\$ 81,995,369</b>	<b>\$ 37,406,958</b>	<b>\$ 37,406,958</b>	<b>\$ 74,813,916</b>
0666	Appropriated Receipts	8,090,066	2,400,129	3,283,379	5,683,508	1,145,348	1,145,348	2,290,696
0777	Interagency Contracts	9,342,077	9,821,383	8,214,576	18,035,959	6,773,708	6,773,708	13,547,416
0802	License plate Trust Fund	162	1,423	-	1,423	-	-	-
<b>Subtotal, Other Funds</b>		<b>\$ 17,432,305</b>	<b>\$ 12,222,935</b>	<b>\$ 11,497,955</b>	<b>\$ 23,720,890</b>	<b>\$ 7,919,056</b>	<b>\$ 7,919,056</b>	<b>\$ 15,838,112</b>
<b>Total Method of Finance</b>		<b>\$ 439,995,264</b>	<b>\$ 444,645,855</b>	<b>\$ 495,011,722</b>	<b>\$ 939,657,577</b>	<b>\$ 451,804,308</b>	<b>\$ 439,431,346</b>	<b>\$ 891,235,654</b>
<b>Total FTEs</b>		<b>2,689.2</b>	<b>2,780.2</b>	<b>2,780.2</b>		<b>2,780.2</b>	<b>2,780.2</b>	

**Legislative Appropriations Request  
Fiscal Years 2018/2019**

**Summary of Base Request by Strategy**

Strategy No. and Name		2015 Expended	2016 Estimated	2017 Budget	2016/2017 Total	2018 Request	2019 Request	2018/2019 Total
01-01-01	Air Quality Assessment and Planning	180,954,145	183,672,062	230,911,108	414,583,170	196,491,040	189,735,539	386,226,579
01-01-02	Water Assessment and Planning	30,619,186	30,967,106	29,784,944	60,752,050	27,979,824	27,991,823	55,971,647
01-01-03	Waste Assessment and Planning	7,159,414	6,681,993	6,832,408	13,514,401	6,824,023	6,832,408	13,656,431
01-02-01	Air Quality Permitting	14,972,952	15,588,223	15,319,565	30,907,788	15,727,078	15,642,090	31,369,168
01-02-02	Water Resource Permitting	15,191,161	16,171,111	15,811,317	31,982,428	15,607,197	15,590,271	31,197,468
01-02-03	Waste Management and Permitting	10,506,519	9,408,059	9,542,202	18,950,261	9,103,520	9,103,520	18,207,040
01-02-04	Occupational Licensing	1,289,707	1,311,449	1,311,447	2,622,896	1,311,447	1,311,447	2,622,894
01-03-01	Radioactive Material Management	2,842,198	3,047,163	3,037,699	6,084,862	3,037,703	3,037,699	6,075,402
<b>Total, Goal 01:</b>		<b>\$263,535,282</b>	<b>\$266,847,166</b>	<b>\$312,550,690</b>	<b>\$579,397,856</b>	<b>\$276,081,832</b>	<b>\$269,244,797</b>	<b>\$545,326,629</b>
02-01-01	Safe Drinking Water	14,994,249	16,778,177	15,024,845	31,803,022	14,257,330	14,254,930	28,512,260
<b>Total, Goal 02:</b>		<b>\$14,994,249</b>	<b>\$16,778,177</b>	<b>\$15,024,845</b>	<b>\$31,803,022</b>	<b>\$14,257,330</b>	<b>\$14,254,930</b>	<b>\$28,512,260</b>
03-01-01	Field Inspections & Complaints	46,602,179	47,044,047	45,653,998	92,698,045	46,599,686	46,363,043	92,962,729
03-01-02	Enforcement & Compliance Support	12,172,918	13,989,123	18,580,072	32,569,195	14,131,678	14,222,807	28,354,485
03-01-03	Pollution Prevention Recycling	2,438,832	2,763,918	2,769,695	5,533,613	2,576,595	2,576,595	5,153,190
<b>Total, Goal 03:</b>		<b>\$61,213,929</b>	<b>\$63,797,088</b>	<b>\$67,003,765</b>	<b>\$130,800,853</b>	<b>\$63,307,959</b>	<b>\$63,162,445</b>	<b>\$126,470,404</b>
04-01-01	Storage Tank Admin and Cleanup	20,511,187	19,768,590	19,111,832	38,880,422	19,147,124	19,086,582	38,233,706
04-01-02	Hazardous Materials Cleanup	30,320,518	25,075,007	24,606,834	49,681,841	22,468,802	22,468,804	44,937,606
<b>Total, Goal 4:</b>		<b>\$50,831,705</b>	<b>\$44,843,597</b>	<b>\$43,718,666</b>	<b>\$88,562,263</b>	<b>\$41,615,926</b>	<b>\$41,555,386</b>	<b>\$83,171,312</b>
05-01-01	Canadian River Compact	14,314	16,919	16,919	33,838	16,919	16,919	33,838
05-01-02	Pecos River Compact	113,227	136,650	136,650	273,300	136,650	136,650	273,300
05-01-03	Red River Compact	29,825	35,539	35,539	71,078	35,539	35,539	71,078
05-01-04	Rio Grande River Compact	2,978,016	2,699,996	2,699,996	5,399,992	5,199,996	199,996	5,399,992
05-01-05	Sabine River Compact	41,239	62,111	62,111	124,222	62,111	62,111	124,222
<b>Total, Goal 05:</b>		<b>\$3,176,621</b>	<b>\$2,951,215</b>	<b>\$2,951,215</b>	<b>\$5,902,430</b>	<b>\$5,451,215</b>	<b>\$451,215</b>	<b>\$5,902,430</b>
06-01-01	Central Administration	19,027,927	19,481,877	20,168,990	39,650,867	20,286,541	20,285,037	40,571,578
06-01-02	Information Resources	17,319,481	20,401,355	25,564,200	45,965,555	22,774,154	22,448,185	45,222,339
06-01-03	Other Support Services	9,896,070	9,545,380	8,029,351	17,574,731	8,029,351	8,029,351	16,058,702
<b>Total, Goal 06:</b>		<b>\$46,243,478</b>	<b>\$49,428,612</b>	<b>\$53,762,541</b>	<b>\$103,191,153</b>	<b>\$51,090,046</b>	<b>\$50,762,573</b>	<b>\$101,852,619</b>
<b>Total, Agency Strategy Request</b>		<b>\$439,995,264</b>	<b>\$444,645,855</b>	<b>\$495,011,722</b>	<b>\$939,657,577</b>	<b>\$451,804,308</b>	<b>\$439,431,346</b>	<b>\$891,235,654</b>

**Legislative Appropriations Request  
Fiscal Years 2018/2019**

**Capital Budget Request**

<b>Project</b>	<b>2016 Estimated</b>	<b>2017 Budget</b>	<b>Total FY 16/17</b>	<b>2018 Request</b>	<b>2019 Request</b>	<b>Total FY 18/19</b>	<b>Biennial Difference</b>
Data Center Services	11,663,310	12,122,879	23,786,189	11,404,703	11,404,702	22,809,405	976,784
Personal Computer Replacement	672,754	500,434	1,173,188	854,451	658,737	1,513,188	(340,000)
Printer Replacement	97,501	0	97,501	97,501	0	97,501	0
Technology Operations & Security	619,253	586,500	1,205,753	619,253	586,500	1,205,753	0
Telecom Migration & Regional Phone Replacement	750,000	300,000	1,050,000	0	0	0	1,050,000
Total Information Technology Items	\$13,802,818	\$13,509,813	\$27,312,631	\$12,975,908	\$12,649,939	\$25,625,847	\$1,686,784
Vehicles and Other Transportation Items	1,426,000	754,000	2,180,000	1,474,353	1,215,647	2,690,000	(510,000)
Total Transportation Items	\$1,426,000	\$754,000	\$2,180,000	\$1,474,353	\$1,215,647	\$2,690,000	(\$510,000)
Monitoring and Analysis Equipment	2,660,590	210,000	2,870,590	215,000	210,000	425,000	2,445,590
Total Capital Equipment Items	\$2,660,590	\$210,000	\$2,870,590	\$215,000	\$210,000	\$425,000	\$2,445,590
<b>Total Capital Budget Request</b>	<b>\$17,889,408</b>	<b>\$14,473,813</b>	<b>\$32,363,221</b>	<b>\$14,665,261</b>	<b>\$14,075,586</b>	<b>\$28,740,847</b>	<b>\$3,622,374</b>

**Legislative Appropriations Request  
Fiscal Years 2018/2019**

**Exceptional Item Request Summary**

Priority	Item	FY 2018		FY 2019		Biennial Request
		Request	FTEs	Request	FTEs	
1	Public Drinking Water (PDW) Needs	2,721,356	0.0	2,721,356	0.0	5,442,712
2	Water Quality Needs	536,641	0.0	549,141	0.0	1,085,782
3	Targeted Salary Increases	1,000,000	0.0	1,000,000	0.0	2,000,000
4	Revised Total Coliform Rule (RTCR)	1,435,954	14.0	1,273,354	14.0	2,709,308
5	Agency Operational Needs	1,651,000	0.0	1,651,000	0.0	3,302,000
6	Critical Technology Upgrade (CTU) Project	5,008,000	0.0	5,008,000	0.0	10,016,000
7	West County Road 112 Ground Water Plume Filtration Systems	1,250,000	0.0	1,250,000	0.0	2,500,000
8	Take Care of Texas (TCOT)	967,944	0.0	967,944	0.0	1,935,888
9	EPA RCRA Funding Reductions	524,000	0.0	524,000	0.0	1,048,000
10	Funding for Leases	890,114	0.0	1,287,734	0.0	2,177,848
11	SORM Auto, Property, and Marine Insurance	123,204	0.0	123,204	0.0	246,408
12	Data Center Services	488,392	0.0	488,392	0.0	976,784
13	Emissions Banking and Trading Support	272,080	5.0	245,680	5.0	517,760
<b>Total Exceptional Item Requests</b>		<b>16,868,685</b>	<b>19.0</b>	<b>17,089,805</b>	<b>19.0</b>	<b>33,958,490</b>

**Legislative Appropriations Request  
Fiscal Years 2018/2019**

**Exceptional Item Request Descriptions**

Priority	Item	Description	FY 2018		FY 2019		Biennial Request
			Request	FTEs	Request	FTEs	
1	Public Drinking Water (PDW)	<p>The additional funding is requested due to increases in Public Drinking Water System needs and a reduction in federal funds which support those needs. The increased cost associated with collecting additional water system samples, compliance schedules, and additional EPA sampling requirements such as the expected EPA revision to the Lead and Copper Rule. The increased level of financial, managerial, and technical assistance due to emergency conditions (i.e., drought, hurricanes) and increasing unfunded federal regulations. Funding will provide supplemental support to implement and maintain the public drinking water compliance program.</p> <p>Funding for an increase in district applications, due in-part to statewide economic growth development (particularly involving water districts). These applications are reviewed in order to determine administrative completeness before being assigned to the technical staff, technical reviews of minor miscellaneous applications, and track the receipt/review of water district audits.</p> <p>Funding for the Public Drinking Water Conference held to provides compliance training on new rules to public water systems and other public entities associated with the Public Water System Supervision Program to ensure that the water systems and operators are up to date on the latest information regarding technologies and best practices.</p> <p>Funding for TXWARN support and website which promotes statewide emergency preparedness, disaster response, and mutual assistance matters for public and private water and wastewater utilities. Along with supplemental training to Public Water Systems on water, homeland, and cyber security which is a benefit for small and under-resourced systems.</p>	2,721,356	0.0	2,721,356	0.0	5,442,712

**Legislative Appropriations Request  
Fiscal Years 2018/2019**

**Exceptional Item Request Descriptions**

Priority	Item	Description	FY 2018		FY 2019		Biennial Request
			Request	FTEs	Request	FTEs	
2	Water Quality Needs	<p>Funding supports water quality monitoring instruments that are required for the collection and analysis of surface water quality monitoring data. The funding would be for the Continuous Water Quality Monitoring Network (CWQMN), the Surface Water Quality Monitoring Program (SWQM), and the Sugar Land Laboratory. The water quality data collected supports: the Texas Integrated Report, the Texas Surface Water Quality Standards, the Total Maximum Daily Load and Nonpoint Source programs, Clean Rivers Program, the continuous water quality monitoring network (CWQMN), and the environmental monitoring and response system (EMRS).</p> <p>Funding is also for the Total Maximum Daily Loads (TMDLs) contracts that support the program and provide valuable expertise, equipment, and resources for the TCEQ in various watersheds across the state of Texas so that it can complete outreach, water quality monitoring, sampling, modeling, reports, Quality Assurance/Quality Control, and assist stakeholders with the development of the Implementation Plans. Section 303(d) of the Federal Clean Water Act requires states to identify waters that do not or will not meet applicable water quality standards and to establish Total Maximum Daily Loads (TMDLs) for pollutants that are causing non-attainment of water quality standards.</p> <p>Funding is also for escalating costs in two state university contracts that provide assistance in processing wastewater permits and statewide public notices for general permit renewals.</p> <p>TCEQ operating expenses have increased every year for salaries of staff administering the program, laboratory accreditation, training, travel and fuel, while the program funding has remained the same. In 1991, the Texas Legislature enacted Texas Water Code Sec 26.0135, the Texas Clean Rivers Act, which provides for strategic and comprehensive monitoring, and periodic assessment, of water quality.</p>	536,641	0.0	549,141	0.0	1,085,782
3	Targeted Salary Increases	The agency continues to lag state agency averages which contributes to turnover in certain classifications. The classifications of interest include natural resource specialists, accountants, auditors, contract specialists, electronics technicians, engineers, geoscientists, planners, and systems analysts.	1,000,000	0.0	1,000,000	0.0	2,000,000

**Legislative Appropriations Request  
Fiscal Years 2018/2019**

**Exceptional Item Request Descriptions**

Priority	Item	Description	FY 2018		FY 2019		Biennial Request
			Request	FTEs	Request	FTEs	
4	Revised Total Coliform Rule (RTCR)	<p>The federal Revised Total Coliform Rule (RTCR) protects public health by reducing potential pathways for fecal contamination into public drinking water distribution systems. All public water systems (PWS) must comply with the new Revised Total Coliform Rule requirements.</p> <p>Staff will be responsible for thorough review and approval of RTCR assessments, corrective actions, tracking of compliance, revisions to 6,900 PWS site sampling plans, and seasonal start-up procedures. Along with funding being used for compliance training and outreach events, increased Financial, Managerial, and Technical Assistance (FMT) compliance support and additional operator training.</p> <p>This request is seeking costs associated with implementation of the RTCR which includes additional staff for conducting enhanced investigations of community distribution systems at a minimum of once every five years in addition to the currently required Comprehensive Compliance Investigations (CCIs) conducted at public water supply systems once every three years. The enhanced evaluation of the distribution system would include a review of monitoring plans, sample analysis, sampling locations, and monthly operating reports. Investigations will be conducted based on findings of previous investigations, compliance with distribution requirements, sampling results, complaints, and regional staff knowledge.</p>	1,435,954	14.0	1,273,354	14.0	2,709,308
5	Agency Operational Needs	<p>The agency has historically funded shortfalls in operational needs with salary savings. The agency seeks to sustain continuity and equalize these costs while ensuring retention of a qualified workforce. Examples of operational needs funded by salary savings include:</p> <ul style="list-style-type: none"> <li>• Community response by providing services for failing septic tanks, and conducting soil and water samples when the public has concerns with contamination;</li> <li>• Management of the Central File Room and conversion to electronic records which supports the agency's primary regulatory records for access by the public;</li> <li>• Response to technology changes for increased cyber security standards, accessibility requirements, monitoring and data collection methods; and</li> <li>• Repair of a leaking roof that houses lab equipment.</li> </ul>	1,651,000	0.0	1,651,000	0.0	3,302,000

**Legislative Appropriations Request  
Fiscal Years 2018/2019**

**Exceptional Item Request Descriptions**

Priority	Item	Description	FY 2018		FY 2019		Biennial Request
			Request	FTEs	Request	FTEs	
6	Critical Technology Upgrade (CTU) Project	<p>The requested funding will be used to modernize key enterprise applications identified as legacy as authorized by House Bill 2738 (83R). Many of the largest and most critical of the legacy applications were developed using a proprietary application development technology called CA Gen, a computer aided software engineering (CASE) tool. Support for these applications is limited by the CA Gen niche installation base, a dwindling pool of experts in the CA Gen technology, the lack of product support and innovation, the lack of agency staff with knowledge of the CA Gen technology, a single vendor for application development and maintenance, and the relative expense of the CA Gen tool licensing and support.</p> <p>Of all the CA Gen applications assessed in this study, the agency selected three mission critical applications that present the most risk to agency operations. The core CA Gen supported enterprise applications, Central Registry (CR), the Consolidated Compliance and Enforcement Data System (CCEDS), and the Commissioners' Integrated Database (CID) were developed to provide a centralized source of agency information. Each one works interdependently and interfaces with multiple systems throughout the agency.</p> <p>The remaining CA Gen applications to be redeveloped include the following licensing, permitting, monitoring, enforcement and report, State of Texas air reporting system (STARS), Occupational Licensing, Compliance History, Dam Safety Module, Integrated Web Reporting, Water Districts Database (WDD).</p>	5,008,000	0.0	5,008,000	0.0	10,016,000
7	West County Road 112 Ground Water Plume Filtration Systems	<p>Additional funding is requested 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 (MCL) at the West County Road 112 Ground Water Plume Federal Superfund Site. This funding will ensure that private well users have access to potable water and filter replacements for the filtration systems. Between Fiscal Years 2009 and 2016, the TCEQ has expended over \$8.6 million in state funds for this purpose. In prior years, the program had sufficient cost recovery funds to support these filtration activities, however less cost recovery funds have been received recently.</p>	1,250,000	0.0	1,250,000	0.0	2,500,000

**Legislative Appropriations Request  
Fiscal Years 2018/2019**

**Exceptional Item Request Descriptions**

Priority	Item	Description	FY 2018		FY 2019		Biennial Request
			Request	FTEs	Request	FTEs	
8	Take Care of Texas (TCOT)	The Take Care of Texas (TCOT) statewide campaign encourages all Texans to help keep our air and water clean, conserve water and energy, reduce waste, and save a little money in the process. The Take Care of Texas initiative ensures the agency educates constituents on the importance of conserving and protecting the state's natural resources. Initiative goals are achieved by a dual-language website, exhibiting at statewide conferences and events, and bilingual publications. The campaign provides helpful information on Texas' successes in environmental protection.	967,944	0.0	967,944	0.0	1,935,888
9	EPA RCRA Funding Reductions	This request for funding is to address reductions in the Resource Conservation and Recovery Act (RCRA) federal funds. EPA announced a new methodology for allocating the hazardous waste grants to states under §3011 of the RCRA and provided projected regional grant distributions for fiscal years 2016-2020. The new methodology reportedly reflects shifts in program priorities since the previous formula was developed in 1996.  As a result of the new methodology, TCEQ will be reduced over a five year period. Continued reductions will impact core functions such as review, authorizations, permitting, investigations, and remediation of hazardous waste facilities. The agency will be reduced a total of \$1.3 million by FY 2019.	524,000	0.0	524,000	0.0	1,048,000
10	Funding for Leases	The request is for increases to leases in Austin, Corpus Christi, Lubbock, and Houston Boat Storage. These leases were executed by Texas Facilities Commission (TFC) based on TCEQ's needs after existing leases had expired, some as long as ten years.	890,114	0.0	1,287,734	0.0	2,177,848
11	SORM Auto, Property, and Marine Insurance	Through the State Office of Risk Management's (SORM's) Statewide Auto Insurance Program, TCEQ will be able to transfer the uncertain risk of auto losses to a highly rated insurance company. The physical damage insurance will cover vehicles, trailers, boats, and equipment breakdown. It will offset the agency cost in the event of a natural disaster at high risk regional offices.	123,204	0.0	123,204	0.0	246,408
12	Data Center Services	The DCS budget includes costs for the TCEQ to participate in the managed statewide data centers. In addition the budget includes all TCEQ hardware, storage, software licensing, backup recovery, databases, and agency applications. Any loss of funding will either impact the availability of applications or data center services. A reduction in funding would have one or more of the following impacts: reduce ability for programs such as GIS and electronic records management to store data; reduced application development due to reassignment for infrastructure consolidation; or reduced agency backup schedules which would impact agency continuity of operations.	488,392	0.0	488,392	0.0	976,784

**Legislative Appropriations Request  
Fiscal Years 2018/2019**

**Exceptional Item Request Descriptions**

Priority	Item	Description	FY 2018		FY 2019		Biennial Request
			Request	FTEs	Request	FTEs	
13	Emissions Banking and Trading Support	The Office of Air is requesting additional staff to process Air and Mobile Source Emissions Credits and to support the Emissions Banking and Trading Program (EBTP). Revised rules will result in an increased number of credit generation and use applications from area and mobile sources. The new staff will to the increased workload without creating a backlog that could potentially slows economic development. The FTEs would be used to review credit generation and use applications, respond to increased emissions inventory reporting, complete statutorily-required compliance assessments and analyses to ensure there is no double counting of emissions, and issue required documentation as needed to ensure that the credited emissions reductions are permanent and enforceable.	272,080	5.0	245,680	5.0	517,760
<b>Total Exceptional Item Requests</b>			<b>\$16,868,685</b>	<b>19.00</b>	<b>\$17,089,805</b>	<b>19.00</b>	<b>\$33,958,490</b>

**Legislative Appropriations Request  
Fiscal Years 2018/2019**

**Summary of Rider Revisions Request**

<b>Rider #</b>	<b>Rider Name</b>	<b>Overview of Revisions</b>
3	Authorization: Aircraft Chartering.	No Change
4	Local Air Pollution Grants Allocation.	No Change
5	Fee Revenue: Pollution Control Equipment Exemptions.	The rider was revised to include the 2.5% salary increase for the FTEs funded by Pollution Control Equipment Exemptions.
6	Authorization: Operating Fund.	No Change
7	Appropriation: Air Quality Planning.	No Change
8	Contract with the State Office of Administrative Hearings.	No Change
9	Texas Parks and Wildlife Environmental Special Investigations Unit.	No Change
10	Federal Funds and Capital Budget Expenditures.	No Change
11	Appropriation: Refinement and Enhancement of Modeling to Demonstrate Attainment with the Clean Air Act.	No Change
12	Reallocation of Revenue and Balances for Certain Accounts.	No Change
13	Appropriations Limited to Revenue Collections: Automobile Emission Inspections.	The rider was revised to include the 2.5% salary increase for the FTEs funded by Automobile Emission Inspections.
14	Appropriation: Administration Costs for the Texas River Compact Commissions.	No Change
15	Appropriation: Environmental Radiation and Perpetual Care Account.	No Change
16	Nuisance Surveys for the Economically Distressed Areas Program.	No Change
17	Reimbursement of Advisory Committees.	No Change
18	Unexpended Balance Authority within the Biennium.	No Change
19	Authorization: Water and Air Program Fee Rates.	No Change

**Legislative Appropriations Request  
Fiscal Years 2018/2019**

**Summary of Rider Revisions Request**

<b>Rider #</b>	<b>Rider Name</b>	<b>Overview of Revisions</b>
20	Texas Emissions Reduction Plan (TERP): Grants and Administration.	The TERP allocation was reduced by \$26.7 million for the 4% reduction. The following programs were removed from the rider, since the programs expire at the end of FY 2017 - Texas Clean Fleet, Texas Natural Gas Vehicle Grant Program, and the Clean Transportation Triangle Program.
21	Contingency Appropriation: Revenue from Increased Fee Rates at Watermaster Offices.	No Change
22	Aggregate Operations.	No Change
23	Petroleum Storage Tank Administration: Temporary and Contract Worker Exemption from the Limitation on Full-Time Equivalent (FTE) Positions.	No Change
24	Low-Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP).	The rider was revised to include the 2.5% salary increase for the FTEs funded by LIRAP.
25	Petroleum Storage Tank Responsible Party Remediation.	No Change
26	Appropriation: Fee Revenue for Brazos River Watermaster Program.	Delete. This rider was intended for initial set-up of the Brazos Watermaster program. Brazos funding will be incorporated into baseline appropriation for Fund 0158.
27	Appropriation: Unexpended Balances from Cost Recovery for Site Remediation and Cleanups.	No Change
28	Litigation Expenses for the Rio Grande Compact Commission	Requesting authority to carry forward funds across the biennium.
29	Barnett Shale Permit By Rule Study.	No Change
30	Appropriation: Expedited Processing of Permit Applications.	Requesting an increase to \$2,000,000. Current budget is \$1.0 million for the biennium.
31	Targeted Salary Increase for Job Classifications with High Turnover Rates.	Delete. The funding has been allocated to selected classifications - Attorneys and Engineering Specialists.

## Rider Revisions

Rider No.	C. 85 <sup>th</sup> Proposed Riders Revisions and Additions	D. Justification for Changes/Additions
5.	<p><b>Fee Revenue: Pollution Control Equipment Exemptions.</b> Amounts appropriated above include <del>\$225,116</del> <u>\$229,424</u> each fiscal year from fee revenue collected pursuant to Tax Code, §11.31, beginning with the effective date of this Act out of the General Revenue Fund in Strategy C.1.3, Pollution Prevention, Recycling, and Innovative Programs, for the purpose of determining whether pollution control equipment is exempt from taxation.</p> <p>In addition to amounts appropriated above, any amounts collected by the Texas Commission on Environmental Quality pursuant to Tax Code, §11.31 on or after September 1, 2015<del>17</del>, in excess of \$225,116 in each fiscal year of the biennium are appropriated to the agency.</p>	<p>The rider was revised to include the 2.5% salary increase for the FTEs funded by Pollution Control Equipment Exemptions.</p>
13.	<p><b>Appropriations Limited to Revenue Collections: Automobile Emission Inspections.</b> Amounts appropriated above out of the Clean Air Account No. 151 in Strategy A.1.1, Air Quality Assessment and Planning, include <del>\$1,985,184</del> <u>2,002,657</u> in each fiscal year of the 2016-17<del>18-19</del> biennium for the operation of the vehicle emissions inspection and maintenance program pursuant to §382.202, Health and Safety Code. These funds are for the purpose of developing, administering, evaluating, and maintaining the vehicle emissions inspection and maintenance program, including federally required reporting measures to demonstrate compliance with applicable federal and state laws.</p> <p>In addition, if additional counties enter the vehicle emissions inspection and maintenance program during fiscal years 2016-17<del>18-19</del>, 20 percent of revenues generated from the vehicle emissions and inspections fee established in Health and Safety Code, §382.202(e) in the additional counties in each fiscal year are hereby appropriated to the Texas Commission on Environmental Quality for the same purposes.</p> <p>It is the intent of the Legislature that 20 percent of the fees authorized and generated by the operation of the vehicle emissions inspection and maintenance program cover, at a minimum, the costs of the appropriations made above, as well as the "Other direct and indirect costs" associated with the program, appropriated elsewhere in this Act. "Other direct and indirect costs" for the vehicle emissions inspection and maintenance program are estimated to be \$261,048 for fiscal year 2016<del>18</del> and \$271,408 for fiscal year 2017<del>19</del>. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce</p>	<p>The rider was revised to include the 2.5% salary increase for the FTEs funded by Automobile Emission Inspections.</p>

## Rider Revisions

Rider No.	C. 85 <sup>th</sup> Proposed Riders Revisions and Additions	D. Justification for Changes/Additions																																													
	the appropriation authority provided above to be within the amount of revenue expected to be available.																																														
20.	<p><b>Texas Emissions Reduction Plan (TERP): Grants and Administration.</b> Amounts appropriated above in Strategy A.1.1, Air Quality Assessment and Planning, include <del>\$118,124,844</del><u>\$102,791,060</u> in fiscal year 2016<u>18</u> and <del>\$118,138,163</del><u>\$102,791,069</u> in fiscal year 2017<u>19</u> out of the Texas Emissions Reduction Plan (TERP) Account No. 5071. Pursuant to Health and Safety Code §386.252, the table below provides an estimated allocation for the TERP Account No. 5071 appropriations for each authorized use of the funds for the 2016-<del>17</del><u>18-19</u> biennium.</p> <table border="0" data-bbox="388 548 1228 1307"> <thead> <tr> <th data-bbox="388 548 798 581">PROGRAM</th> <th data-bbox="871 548 1008 581">FY 2016<u>8</u></th> <th data-bbox="1060 548 1228 581">FY 2017<u>9</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="388 597 798 630">TCEQ Administration</td> <td data-bbox="871 597 1008 630">\$ <del>4,724,994</del><u>4,191,643</u></td> <td data-bbox="1060 597 1228 630">\$ <del>4,725,527</del><u>4,191,643</u></td> </tr> <tr> <td data-bbox="388 662 798 695">Regional Air Monitoring Program</td> <td data-bbox="871 662 1008 695">\$ 3,000,000</td> <td data-bbox="1060 662 1228 695">\$ 3,000,000</td> </tr> <tr> <td data-bbox="388 695 798 727">Emissions Reduction Incentive</td> <td data-bbox="871 695 1008 727"><del>\$61,733,913</del><u>\$81,512,677</u></td> <td data-bbox="1060 695 1228 727"><del>\$61,741,371</del><u>\$86,752,230</u></td> </tr> <tr> <td data-bbox="388 760 798 792"><del>Texas Clean Fleet Program</del></td> <td data-bbox="871 760 1008 792"><del>\$ 5,906,242</del></td> <td data-bbox="1060 760 1228 792"><del>\$ 5,906,908</del></td> </tr> <tr> <td data-bbox="388 792 798 824">Texas Clean School Bus</td> <td data-bbox="871 792 1008 824"><del>\$ 4,724,994</del><u>\$ 4,111,643</u></td> <td data-bbox="1060 792 1228 824"><del>\$ 4,725,527</del><u>\$4,111,643</u></td> </tr> <tr> <td data-bbox="388 857 798 889"><del>Texas Natural Gas Vehicle Grant</del></td> <td data-bbox="871 857 1008 889"><del>\$18,899,975</del></td> <td data-bbox="1060 857 1228 889"><del>\$18,902,106</del></td> </tr> <tr> <td data-bbox="388 889 798 922"><del>Clean Transportation Triangle</del></td> <td data-bbox="871 889 1008 922"><del>\$ 5,906,242</del></td> <td data-bbox="1060 889 1228 922"><del>\$ 5,906,908</del></td> </tr> <tr> <td data-bbox="388 922 798 954">Alternative Fueling Facilities</td> <td data-bbox="871 922 1008 954"><del>\$ 5,906,242</del><u>\$ 5,239,554</u></td> <td data-bbox="1060 922 1228 954"><del>\$ 5,906,908</del><u>\$0</u></td> </tr> <tr> <td data-bbox="388 987 798 1019">New Technology Implementation</td> <td data-bbox="871 987 1008 1019"><del>\$ 3,543,745</del><u>\$ 3,143,732</u></td> <td data-bbox="1060 987 1228 1019"><del>\$ 3,544,145</del><u>\$ 3,143,732</u></td> </tr> <tr> <td data-bbox="388 1052 798 1084">Health Effects Study (maximum)</td> <td data-bbox="871 1052 1008 1084">\$ 200,000</td> <td data-bbox="1060 1052 1228 1084">\$ 200,000</td> </tr> <tr> <td data-bbox="388 1084 798 1117">Research</td> <td data-bbox="871 1084 1008 1117">\$ 1,000,000</td> <td data-bbox="1060 1084 1228 1117">\$ 1,000,000</td> </tr> <tr> <td data-bbox="388 1117 798 1149">Energy Systems Laboratory</td> <td data-bbox="871 1117 1008 1149">\$ 216,000</td> <td data-bbox="1060 1117 1228 1149">\$ 216,000</td> </tr> <tr> <td data-bbox="388 1149 798 1182">Drayage Truck incentive Program</td> <td data-bbox="871 1149 1008 1182"><del>\$ 2,362,497</del><u>\$2,095,821</u></td> <td data-bbox="1060 1149 1228 1182"><del>\$ 2,362,763</del><u>\$2,095,821</u></td> </tr> <tr> <td data-bbox="388 1214 798 1247">Total</td> <td data-bbox="871 1214 1008 1247"><del>\$118,124,844</del><u>\$104,791,070</u></td> <td data-bbox="1060 1214 1228 1247"><del>\$118,138,163</del><u>\$104,791,069</u></td> </tr> </tbody> </table> <p data-bbox="304 1339 1312 1469">The TCEQ is hereby authorized to reallocate unexpended balances between programs to meet the objectives of the TERP program, provided such reallocations are within the statutory limitations on the use of TERP Account No. 5071 as set forth in Health and Safety Code §386.252.</p>	PROGRAM	FY 2016 <u>8</u>	FY 2017 <u>9</u>	TCEQ Administration	\$ <del>4,724,994</del> <u>4,191,643</u>	\$ <del>4,725,527</del> <u>4,191,643</u>	Regional Air Monitoring Program	\$ 3,000,000	\$ 3,000,000	Emissions Reduction Incentive	<del>\$61,733,913</del> <u>\$81,512,677</u>	<del>\$61,741,371</del> <u>\$86,752,230</u>	<del>Texas Clean Fleet Program</del>	<del>\$ 5,906,242</del>	<del>\$ 5,906,908</del>	Texas Clean School Bus	<del>\$ 4,724,994</del> <u>\$ 4,111,643</u>	<del>\$ 4,725,527</del> <u>\$4,111,643</u>	<del>Texas Natural Gas Vehicle Grant</del>	<del>\$18,899,975</del>	<del>\$18,902,106</del>	<del>Clean Transportation Triangle</del>	<del>\$ 5,906,242</del>	<del>\$ 5,906,908</del>	Alternative Fueling Facilities	<del>\$ 5,906,242</del> <u>\$ 5,239,554</u>	<del>\$ 5,906,908</del> <u>\$0</u>	New Technology Implementation	<del>\$ 3,543,745</del> <u>\$ 3,143,732</u>	<del>\$ 3,544,145</del> <u>\$ 3,143,732</u>	Health Effects Study (maximum)	\$ 200,000	\$ 200,000	Research	\$ 1,000,000	\$ 1,000,000	Energy Systems Laboratory	\$ 216,000	\$ 216,000	Drayage Truck incentive Program	<del>\$ 2,362,497</del> <u>\$2,095,821</u>	<del>\$ 2,362,763</del> <u>\$2,095,821</u>	Total	<del>\$118,124,844</del> <u>\$104,791,070</u>	<del>\$118,138,163</del> <u>\$104,791,069</u>	Revised to reflect the expiration of the Texas Clean Fleet, Texas Natural Gas Vehicle Grant Program, and the Clean Transportation Triangle Program and a reduced allocation as a result of the 4% reduction.
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## Rider Revisions

Rider No.	C. 85 <sup>th</sup> Proposed Riders Revisions and Additions	D. Justification for Changes/Additions
24.	<p><b>Low-Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP).</b> Amounts appropriated above out of the Clean Air Account No. 151 in Strategy A.1.1, Air Quality Assessment and Planning, include <del>\$43,467,055</del> <u>\$43,468,055</u> in each fiscal year of the <del>2016-17</del> <u>18-19</u> biennium in estimated fee revenues from vehicle inspection and maintenance fees generated pursuant to Health and Safety Code, §§382.202 and 382.302, to fund the Low-income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP). Out of these amounts, not more than <del>\$252,903</del> <u>\$253,893</u> in each fiscal year shall be used by the Texas Commission on Environmental Quality (TCEQ) for costs associated with administering the LIRAP as authorized in Health and Safety Code, §382.202, and all remaining funds shall be used as LIRAP grants to local governments.</p> <p>Amounts appropriated above in Strategy A.1.1, Air Quality Assessment and Planning, also include \$4,829,673 in each fiscal year of the <del>2016-17</del> <u>18-19</u> biennium out of the Clean Air Account No. 151 to be used only for purposes authorized in Chapter 382 of the Health and Safety Code for county implemented local initiatives projects to reduce air emissions.</p> <p>Amounts appropriated above for LIRAP grants and local initiative projects also include an estimated \$1,196,172 each fiscal year in estimated fee revenue generated from Travis County and \$483,736 each fiscal year in estimated LIRAP fee revenue generated from Williamson County. The TCEQ shall allocate, at a minimum, the estimated revenue amounts collected in each of the counties during the <del>2016-17</del> <u>18-19</u> biennium to provide LIRAP grants and local initiatives projects in those counties.</p> <p>In addition to the amounts appropriated above, any additional revenues from vehicle inspection and maintenance fees generated from additional counties participating in the LIRAP beginning on or after September 1, <del>2015</del> <u>17</u> are appropriated to the TCEQ for the biennium. Such funds shall be used to provide grants to local governments and to cover administrative costs of the TCEQ in administering the LIRAP.</p>	<p>The rider was revised to include the 2.5% salary increase for the FTEs funded by LIRAP.</p>

## Rider Revisions

Rider No.	C. 85 <sup>th</sup> Proposed Riders Revisions and Additions	D. Justification for Changes/Additions
28.	<p><b>Litigation Expenses for the Rio Grande Compact Commission.</b> Amounts appropriated above out of the General Revenue Fund in Strategy E.1.4, Rio Grande River Compact, include \$5,000,000 in fiscal year 2016<del>17</del><u>18</u> to be used to cover expenses incurred by the Rio Grande Compact Commission relating to investigations and legal expenses resulting from litigation between the State of Texas and the State of New Mexico over the equitable distribution of water according to the Rio Grande Compact. Any unobligated and unexpended balances remaining from this appropriation on August 31, 2016<del>17</del><u>18</u>, are appropriated for the fiscal year beginning on September 1, 2016<del>17</del><u>18</u>.</p>	<p>The revision allows the carry forward of unexpended balances from FY 17 to FY 18.</p>
30.	<p><b>Appropriation: Expedited Processing of Permit Applications.</b><sup>1</sup> Included in amounts appropriated above out of the Clean Air Account No. 151 in Strategy A.2.1, Air Quality Permitting, is <del>\$525,000</del> <u>\$1,000,000</u> for the biennium for contract labor, overtime and compensatory pay, or other costs incurred to support the expedited processing of permit applications. The Commission on Environmental Quality is authorized to compensate employees who perform expedited air permits twice the hourly rate for time worked in excess of their regularly scheduled work hours. For the purposes of the expedited permit process, the TCEQ is exempt from provisions of Article IX relating to the inclusion of temporary or contract workers in the calculation of the number of Full-Time Equivalent (FTE) positions.</p> <p><del>Also included in</del> <u>In addition to</u> the amounts appropriated above out of the Clean Air Account No. 151 in Strategy A.2.1, Air Quality Permitting, is <u>appropriated</u> an amount not to exceed <del>\$475-500,000 in fiscal</del> each year <del>2016</del> from fee revenues collected and deposited to the account from expedited permit review surcharges assessed in accordance with Health and Safety Code, § 382.05155. These funds are provided for costs incurred to support the expedited permitting process.</p> <p>Any unexpended balances remaining in these appropriations on August 31, 2016<del>17</del><u>18</u> in this appropriation are appropriated for the same purposes for the fiscal year beginning on September 1, 2016<del>17</del><u>18</u>.</p>	<p>Requesting an increase to \$2,000,000. Current budget is \$1.0 million for the biennium.</p>

## Rider Revisions

Rider No.	C. 85 <sup>th</sup> Proposed Riders Revisions and Additions	D. Justification for Changes/Additions
31.	<p><del><b>Targeted Salary Increase for Job Classifications with High Turnover Rates.</b> Amounts appropriated above include \$1,000,000 in each fiscal year from various methods of financing and in various strategies above to be used to provide salary increases for specialized job classifications with the highest turnover rates based on the most recent State Auditor's Office data available. These classifications may include accountants, attorneys, auditors, chemists, contract specialists, electronic technicians, engineers, engineering specialists, geoscientists, hydrologists, planners, systems analysts, and administrators. The amount identified in this rider for salary increases for positions with high turnover rates shall only be used by the agency for that purpose.</del></p>	<p>Delete. The funding has been allocated to selected classifications - Attorneys and Engineering Specialists.</p>