Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

To: Commissioners' Work Session **Date:** August 15, 2014

Thru: Dorca Zaragoza-Stone
Deputy, Office of Administrative Services

From: Liz Day
Chief Financial Officer

Elizabeth Sifuentez
Director, Budget and Planning Division

Subject: Agency's FY 2015 Operating Budget and
FY 2016/2017 Legislative Appropriations Request

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
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CHIEF CLERKS OFFICE

Issue:

Consideration and Approval of the Agency's FY 2015 Operating Budget and FY 2016/2017 Legislative Appropriations Request

Background and Current Practice

The agency was appropriated funds during the 83th Legislative Session in the 2014/2015 General Appropriations Act. We would like to present the recommended operating budget for FY 2015 for consideration and approval by the Commission.

The information is arranged in the agency's organizational structure and includes budget comparisons between FY 2014 and FY 2015. 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 as portrayed in the Strategic Plan. For the 2016/2017 biennium, guidance and instructions were provided by the Governor's Office of Budget and Planning and Policy (GOBPP) and the Legislative Budget Board (LBB).

Texas Commission on Environmental Quality

Summary of the FY 2015 Recommended Operating Budget

August 15, 2014

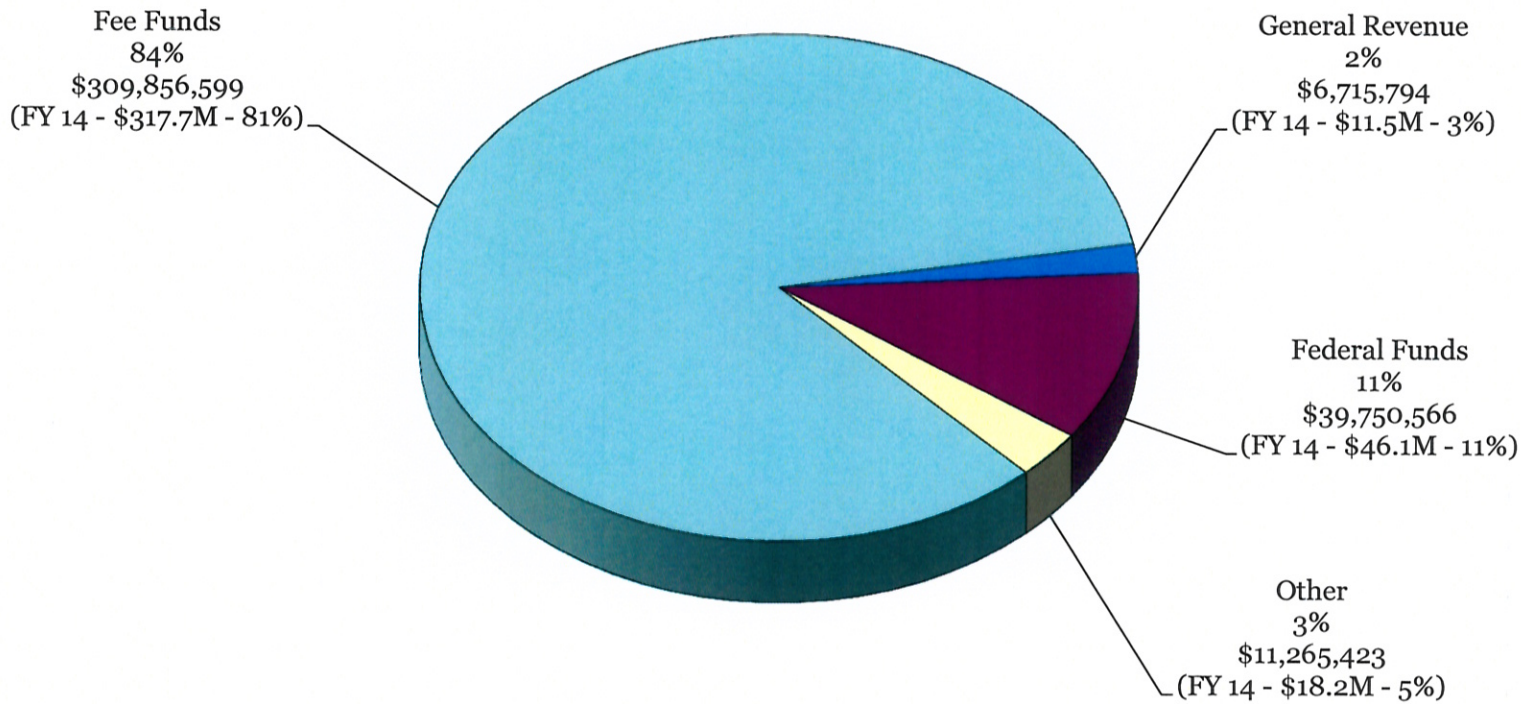
Texas Commission on Environmental Quality
FY 2015 Operating Budget

Appropriation Summary

	FY 2014		FY 2015	
	Budget	**FTE**	**Budget**	**FTE**
Baseline Appropriations				
Article VI - Baseline	**$ 368,253,264**	**2,766.2**	**$ 355,303,189**	**2,766.2**
Rider Appropriations				
Article VI, Rider 29: Fee Revenue for Newly-Created Watermaster Program	674,431	0.0	595,977	0.0
Article VI, Rider 30, UB Cost Recovery for Site Cleanup	7,762,214	0.0	0	0.0
Article VI, Rider 31: HB 7: Closed Battery Recycling Facility	1,500,000	0.0	0	0.0
	9,936,645	**0.0**	**595,977**	**0.0**
Other Appropriations and Reductions				
Article IX, Section 8.02 Federal Funds	10,357,632	0.0	6,101,511	0.0
Article IX, Section 8.03: Reimbursements and Payments	1,317,013	0.0	0	0.0
Article IX, Section 17.06: Salary Increase for State Employees	1,788,143	0.0	4,870,595	0.0
Article IX, Section 17.08: Data Center Services	53,781	0.0	707,246	0.0
Article IX, Section 18.11: HB 788 Permtting of Greenhouse Gas	58,680	1.0	726,682	10.0
Article IX, Section 18.15: HB 1600 Transfer of CCN and Rates to PUC	0	0.0	(1,613,818)	(20.0)
Article IX, Section 18.50: HB 2305 Modify Vehicle Emissions Analyzers	800,000	0.0	0	0.0
Article IX, Section 18.57: SB 1756 Expedited Processing of Applications	955,000	0.0	897,000	0.0
	15,330,249	1.0	**11,689,216**	(10.0)
Total Appropriations	**$ 393,520,158**	**2,767.2**	**$ 367,588,382**	**2,756.2**

Texas Commission on Environmental Quality
FY 2015 Operating Budget

Method of Finance



Total = $367,588,382

Texas Commission on Environmental Quality
FY 2015 Operating Budget

Table I - FTE Comparison Summary

Office	FY 2014	FY 2015	Difference
Commissioners	70.00	70.00	0.00
Executive	111.60	111.60	0.00
Office of Administrative Services	361.00	361.00	0.00
Office of Compliance & Enforcement	991.40	991.40	0.00
Office of Legal Services	144.90	137.90	(7.00)
Office of Waste	318.80	318.80	0.00
Office of Water	397.10	383.70	(13.40)
Office of Air	371.40	371.80	0.40
Agency Wide	1.00	10.00	9.00
Agency Total	**2,767.20**	**2,756.20**	**(11.00)**

Texas Commission on Environmental Quality
FY 2015 Operating Budget

Table II - Budget Comparison Summary

Office	FY 2014	FY 2015	Difference	% Change
Commissioners	$ 6,850,504	$ 5,925,030	$ (925,474)	(13.51%)
Executive	12,902,362	9,719,986	(3,182,376)	(24.67%)
Office of Administrative Services	54,123,652	53,298,477	(825,175)	(1.52%)
Office of Compliance & Enforcement	71,473,943	70,337,950	(1,135,993)	(1.59%)
Office of Legal Services	9,452,669	9,466,071	13,402	0.14%
Office of Waste	63,819,545	54,482,705	(9,336,840)	(14.63%)
Office of Water	53,977,693	47,405,074	(6,572,619)	(12.18%)
Office of Air	112,603,666	109,405,716	(3,197,950)	(2.84%)
Agency Wide	8,316,124	7,547,373	(768,751)	(9.24%)
Agency Total	**$ 393,520,158**	**$ 367,588,382**	**$ (25,931,776)**	**(6.59%)**

Texas Commission on Environmental Quality
FY 2015 Operating Budget

Table III - Budget Category Comparison

Budget Category	FY 2014	FY 2015	Difference	% Change
Salaries				
Salaries	$ 154,807,681	$ 159,451,765	$ 4,644,084	3.00%
Salary Enhancements	3,450,000	3,450,000	-	0.00%
Payroll Contribution (estimated)	2,067,251	2,067,251	-	0.00%
Subtotal	$ 160,324,932	$ 164,969,016	$ 4,644,084	2.90%
Other Operating Costs				
Professional/Temporary	45,062,302	35,987,461	(9,074,841)	(20.14%)
Travel In-State	1,796,287	1,721,009	(75,278)	(4.19%)
Travel Out-of-State	318,501	272,095	(46,406)	(14.57%)
Training	1,568,591	1,560,315	(8,276)	(0.53%)
Rent-Building	5,494,441	5,435,645	(58,796)	(1.07%)
Postage	812,836	848,658	35,822	4.41%
Telephone & Utilities	1,549,579	2,204,682	655,103	42.28%
Supplies	964,955	841,515	(123,440)	(12.79%)
Capital (not limited to LAR Capital)	2,720,669	2,690,244	(30,425)	(1.12%)
Other Operating Costs	10,374,366	8,946,043	(1,428,323)	(13.77%)
Fuels & Lubricants	719,297	766,894	47,597	6.62%
Rent-Machine and Other	917,767	971,800	54,033	5.89%
Facilities, Furnishings & Equipment	7,370,899	4,516,346	(2,854,553)	(38.73%)
Subtotal	$ 79,670,490	$ 66,762,707	$ (12,907,783)	(16.20%)
Remediation, Reimbursements & Grant Contracts				
Other Remediation, Reimbursements & Grants	80,078,572	62,210,496	(17,868,076)	(22.31%)
Texas Emissions Reduction Plan	73,446,164	73,646,163	199,999	0.27%
Subtotal	$ 153,524,736	$ 135,856,659	$ (17,668,077)	(11.51%)
Agency Total	**$ 393,520,158**	**$ 367,588,382**	**$ (25,931,776)**	**(6.59%)**

Texas Commission on Environmental Quality
FY 2015 Operating Budget

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

Remediation, Reimbursement and Grant Contracts

Air Quality and Monitoring Grants	$ 1,880,106
Dry Cleaning Facilities	3,244,606
Estuary Programs	448,772
Local Air Grants - Federal	1,014,324
Local Air Grants - State	1,826,751
Low Income Vehicle Repair Program	7,624,265
Misc RRG Contracts	1,662,739
Petroleum Storage Tank Program	13,720,073
Solid Waste Management Grants	5,493,162
Superfund	9,544,090
Texas Emission Reduction Plan Grants	73,720,863
Water Quality and Monitoring Grants	11,652,823
Water Quality Clean Rivers	4,024,085
Agency Total	**$ 135,856,659**

Texas Commission on Environmental Quality
FY 2015 Operating Budget

Table V - Capital Budget Comparison

	FY 2014	FY 2015	Difference
Information Technology			
Data Center Consolidation	$ 10,840,479	$ 11,493,942	$ 653,463
Personal Computer & Printer Replacement	500,434	500,434	-
State Implementation Plan (SIP)	250,000	-	(250,000)
TCEQ Records Management Project	500,000	300,000	(200,000)
Technology Operation & Security Infrastructure	772,050	437,924	(334,126)
Total Acquisition of Information Resource Technology	**$ 12,862,963**	**$ 12,732,300**	**$ (130,663)**
Vehicle Replacement			
Replacement Vehicles for Agency Fleet	504,000	504,000	-
Total Vehicle Replacemement	**$ 504,000**	**$ 504,000**	**$ -**
Acquisition of Capital Equipment and Items			
Air Monitoring Equipment	579,034	579,034	-
Water Monitoring and Analysis Equipment	318,750	318,750	-
Total Acquisition of Capital Equipment and Items	**$ 897,784**	**$ 897,784**	**$ -**
Agency Total	**$ 14,264,747**	**$ 14,134,084**	**$ (130,663)**

Texas Commission on Environmental Quality
FY 2015 Operating Budget

Table VI - Information Technology Project Descriptions

Project Name	Project Description	FY 2015
Data Center Consolidation	The project consists of existing information technology infrastructure assets and functions. 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.	$ 11,493,942
Personal Computers & Printer Replacement	This project replaces personal computer workstations throughout the agency on an approximate 7 year lifecycle. Because there were no funds received for FY12/13, this will be replacing pc's approaching the 8 year lifecycle, to bring them back to a 7 year lifecycle. This project also purchases new and replacement printers on an approximate 10 year lifecycle. The agency has a printer management plan that establishes a ratio of 4 staff member to 1 printer in order to maximize printer resources effectively.	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 telecommunication's voice, video and mobility services. This plan replaces, adds capacity or capability to all aspects required to maintain agency wide technology demands and provide relevant security levels to the agency's technology and data needs. Major data and telecommunications hardware components have a typical life cycle between 5 and 7 years.	437,924
TCEQ Records Management Project	The intent of the TCEQ Records Management project is to twofold: 1) Digitize and provide real-time access to the agencies most active record series, 2) Implement a modular, multi-solution based Enterprise Content Management (ECM) capability that can be tailored to meet the individual requirements of any program area and record series within the agency. The ECM capability will accommodate both paper and electronic based information and allow for document capture, storage, retrieval, publishing, and disposition of documents in all types of information medium.	300,000
Total Information Technology Projects		**$ 12,732,300**

Texas Commission on Environmental Quality

Summary of the Recommended
2016-2017
Legislative Appropriations Request

August 15, 2014

Legislative Appropriations Request
Fiscal Years 2016/2017

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Legislative Appropriations Request
Fiscal Years 2016/2017

Summary of 10% Reduction

10% Reduction Minimum	**$63,440,253**
General Revenue	1,811,487
General Revenue Dedicated	61,628,766

Program	Amount	5% Tier	5% Tier
Data Center Services	1,811,487	0	1,811,487
TERP Grants	59,328,766	29,420,127	29,908,639
Closed Battery Recycling	1,500,000	1,500,000	0
Vehicle Emission Analyzers	800,000	800,000	0
	$63,440,253	**$31,720,127**	**$31,720,126**

10% Reductions Proposed in Prior Biennia

Program	FY 2010-2011	FY 2012-2013	FY 2014-2015
Carrizo-Wilcox Aquifer	0	500,000	0
Dry Cleaners	4,000,000	1,000,000	4,000,000
Hawkins Waste and Scrap Tire Cleanup	0	1,200,000	0
LIRAP	20,000,000	38,000,000	0
Mickey Leland National Urban Air Toxics Research	0	1,000,000	0
Municipal Solid Waste Grants	0	0	6,000,000
Petroleum Storage Tank Cleanup	20,000,000	0	8,000,000
Superfund Cleanup	0	0	6,000,000
TERP Grants	52,557,760	44,527,467	35,494,866
Texas Air Quality Study	700,000	0	0
Total	**$97,257,760**	**$86,227,467**	**$59,494,866**

Legislative Appropriations Request
Fiscal Years 2016-2017

Summary of Base Request by Method of Finance

MOF	Method of Finance	2013 Expended	2014 Estimated	2015 Budget	2014/2015 Total	2016 Request	2017 Request	2016/2017 Total
0001	General Revenue	5,825,281	8,718,128	9,475,795	18,193,923	11,508,009	6,715,794	18,223,803
	Subtotal, General Revenue (GR)	**$ 5,825,281**	**$ 8,718,128**	**$ 9,475,795**	**$ 18,193,923**	**$ 11,508,009**	**$ 6,715,794**	**$ 18,223,803**
0088	Low Level Waste	1,424,741	1,457,474	1,481,306	2,938,780	1,481,308	1,481,304	2,962,612
0146	Used Oil Recycling	848,130	850,441	853,332	1,703,773	419,265	419,264	838,529
0151	Clean Air	53,469,154	55,354,844	53,993,078	109,347,922	59,676,692	52,956,178	112,632,870
0153	Water Resource Management	56,420,296	54,742,018	55,849,921	110,591,939	56,397,999	56,047,600	112,445,599
0158	Watermaster Administration	1,304,147	1,467,548	1,538,130	3,005,678	1,554,357	1,470,329	3,024,686
0468	Occupational Licensing	1,690,542	1,698,646	1,719,634	3,418,280	1,719,635	1,719,633	3,439,268
0549	Waste Management	28,586,235	28,709,601	29,364,422	58,074,023	31,495,302	31,451,727	62,947,029
0550	Hazardous & Solid Waste	24,014,072	25,273,863	25,499,630	50,773,493	22,553,296	22,542,689	45,095,985
0655	Petroleum Storage Tank	18,626,546	21,997,029	22,502,060	44,499,089	22,258,515	22,396,520	44,655,035
5000	Solid Waste Disposal	5,493,162	5,493,162	5,493,162	10,986,324	5,493,162	5,493,162	10,986,324
5065	Environmental Testing Lab	815,955	710,782	719,926	1,430,708	719,926	719,926	1,439,852
5071	Texas Emissions Reduction Plan	123,914,778	15,935,848	139,343,159	155,279,007	77,632,844	77,646,163	155,279,007
5093	Dry Cleaning Release	3,928,757	3,721,212	3,728,340	7,449,552	3,728,340	3,728,340	7,456,680
5094	Operating Permit Fees	32,239,260	31,337,554	32,031,218	63,368,772	30,121,485	30,294,951	60,416,436
	Subtotal, GR Dedicated	**$ 352,775,775**	**$ 248,750,022**	**$ 374,117,318**	**$ 622,867,340**	**$ 315,252,126**	**$ 308,367,786**	**$ 623,619,912**
0555	Federal Funds	47,405,917	44,727,050	41,141,448	85,868,498	38,116,562	37,456,645	75,573,207
	Subtotal, Federal Funds	**$ 47,405,917**	**$ 44,727,050**	**$ 41,141,448**	**$ 85,868,498**	**$ 38,116,562**	**$ 37,456,645**	**$ 75,573,207**
0666	Appropriated Receipts	2,572,473	4,345,777	8,532,568	12,878,345	1,145,348	1,145,348	2,290,696
0777	Interagency Contracts	5,079,380	8,893,762	10,547,914	19,441,676	4,504,143	3,817,379	8,321,522
	Subtotal, Other Funds	**$ 7,651,853**	**$ 13,239,539**	**$ 19,080,482**	**$ 32,320,021**	**$ 5,649,491**	**$ 4,962,727**	**$ 10,612,218**
	Total Method of Finance	**$ 413,658,826**	**$ 315,434,739**	**$ 443,815,043**	**$ 759,249,782**	**$ 370,526,188**	**$ 357,502,952**	**$ 728,029,140**
	Total FTEs	**2,593.7**	**2,747.2**	**2,747.2**		**2,747.2**	**2,747.2**	

Legislative Appropriations Request
Fiscal Years 2016-2017

Summary of Base Request by Strategy

Strategy No. and Name		2013 Expended	2014 Estimated	2015 Budget	2014/2015 Total	2016 Request	2017 Request	2016/2017 Total
01-01-01	Air Quality Assessment and Planning	171,532,900	65,673,389	184,797,972	250,471,361	125,725,254	118,944,695	244,669,949
01-01-02	Water Assessment and Planning	31,024,655	34,389,382	30,931,379	65,320,761	27,565,269	27,206,795	54,772,064
01-01-03	Waste Assessment and Planning	7,869,370	7,825,710	7,197,449	15,023,159	6,715,509	6,715,508	13,431,017
01-02-01	Air Quality Permitting	14,349,542	14,229,758	14,923,485	29,153,243	14,836,932	14,836,963	29,673,895
01-02-02	Water Resource Permitting	14,427,349	13,807,182	15,059,297	28,866,479	14,062,857	13,851,005	27,913,862
01-02-03	Waste Management and Permitting	10,643,636	10,502,025	10,302,827	20,804,852	9,506,478	9,550,145	19,056,623
01-02-04	Occupational Licensing	1,267,865	1,265,758	1,286,746	2,552,504	1,286,747	1,286,745	2,573,492
01-03-01	Radioactive Material Management	2,734,788	2,956,656	3,000,310	5,956,966	3,000,312	3,000,308	6,000,620
	Total, Goal 01:	**$253,850,105**	**$150,649,860**	**$267,499,465**	**$418,149,325**	**$202,699,358**	**$195,392,164**	**$398,091,522**
02-01-01	Safe Drinking Water	14,690,832	12,269,542	14,479,443	26,748,985	10,545,685	9,719,475	20,265,160
	Total, Goal 02:	**$14,690,832**	**$12,269,542**	**$14,479,443**	**$26,748,985**	**$10,545,685**	**$9,719,475**	**$20,265,160**
03-01-01	Field Inspections & Complaints	44,800,277	42,786,404	45,889,243	88,675,647	44,605,035	44,768,617	89,373,652
03-01-02	Enforcement & Compliance Support	11,372,865	11,367,379	11,775,051	23,142,430	12,788,461	12,788,461	25,576,922
03-01-03	Pollution Prevention Recycling	2,048,413	2,273,697	2,519,830	4,793,527	2,394,670	2,394,670	4,789,340
	Total, Goal 03:	**$58,221,555**	**$56,427,480**	**$60,184,124**	**$116,611,604**	**$59,788,166**	**$59,951,748**	**$119,739,914**
04-01-01	Storage Tank Admin and Cleanup	17,180,518	20,421,330	19,994,544	40,415,874	19,667,227	19,630,171	39,297,398
04-01-02	Hazardous Materials Cleanup	25,542,940	28,472,180	31,664,700	60,136,880	21,843,469	21,934,559	43,778,028
	Total, Goal 4:	**$42,723,458**	**$48,893,510**	**$51,659,244**	**$100,552,754**	**$41,510,696**	**$41,564,730**	**$83,075,426**
05-01-01	Canadian River Compact	12,642	18,622	16,450	35,072	16,650	16,650	33,300
05-01-02	Pecos River Compact	109,270	126,366	125,144	251,510	135,844	135,844	271,688
05-01-03	Red River Compact	29,612	32,667	34,733	67,400	34,933	34,933	69,866
05-01-04	Rio Grande River Compact	1,081,402	2,403,414	2,925,266	5,328,680	5,198,966	198,966	5,397,932
05-01-05	Sabine River Compact	56,554	62,011	61,487	123,498	61,687	61,687	123,374
	Total, Goal 05:	**$1,289,480**	**$2,643,080**	**$3,163,080**	**$5,806,160**	**$5,448,080**	**$448,080**	**$5,896,160**
06-01-01	Central Administration	17,645,852	18,195,362	18,978,146	37,173,508	18,569,354	18,569,354	37,138,708
06-01-02	Information Resources	15,104,202	16,409,136	17,788,217	34,197,353	21,901,525	21,794,077	43,695,602
06-01-03	Other Support Services	10,133,342	9,946,769	10,063,324	20,010,093	10,063,324	10,063,324	20,126,648
	Total, Goal 06:	**$42,883,396**	**$44,551,267**	**$46,829,687**	**$91,380,954**	**$50,534,203**	**$50,426,755**	**$100,960,958**
Total, Agency Strategy Request		**$413,658,826**	**$315,434,739**	**$443,815,043**	**$759,249,782**	**$370,526,188**	**$357,502,952**	**$728,029,140**

Legislative Appropriations Request
Fiscal Years 2016-2017

Capital Budget Request

Project	2014 Estimated	2015 Budget	2014/2015 Total	2016 Request	2017 Request	2016/2017 Total	Biennial Difference
Data Center Services	10,840,479	11,493,942	22,334,421	10,840,479	11,493,942	22,334,421	0
Technology Operations & Security	772,050	437,924	1,209,974	619,253	586,500	1,205,753	4,221
PC/Printer Replacement	500,434	500,434	1,000,868	754,655	500,434	1,255,089	(254,221)
Houston Lab IT Project - LIMS Upgrade	0	0	0	246,000	183,000	429,000	(429,000)
Telecom Migration & Regional Phone Replacement	0	0	0	750,000	300,000	1,050,000	(1,050,000)
Records Management	500,000	300,000	800,000	0	0	0	800,000
SIP Life Cycle Refresh	250,000	0	250,000	0	0	0	250,000
Total Information Technology Items	$12,862,963	$12,732,300	$25,595,263	$13,210,387	$13,063,876	$26,274,263	($679,000)
Vehicles and Other Transportation Items	504,000	504,000	1,008,000	754,000	754,000	1,508,000	(500,000)
Total Transportation Items	$504,000	$504,000	$1,008,000	$754,000	$754,000	$1,508,000	($500,000)
Monitoring and Analysis Equipment	0	0	0	440,000	210,000	650,000	(650,000)
Water Monitoring & Analysis Equipment	318,750	318,750	637,500	0	0	0	637,500
Air Monitoring & Analysis Equipment	579,034	579,034	1,158,068	0	0	0	1,158,068
Total Capital Equipment Items	$897,784	$897,784	$1,795,568	$440,000	$210,000	$650,000	$1,145,568
Total Capital Budget Request	**$14,264,747**	**$14,134,084**	**$28,398,831**	**$14,404,387**	**$14,027,876**	**$28,432,263**	**($33,432)**

Legislative Appropriations Request
Fiscal Years 2016-2017

Summary of Exceptional Item Requests

		FY 2016		FY 2017			
Priority	**Item**	**Request**	**FTEs**	**Request**	**FTEs**	**Biennial Request**	**MOF**
1	General Revenue to Support Revenue Shortage	4,000,000	0.0	4,000,000	0.0	8,000,000	0001
2	Water Operational Needs	1,766,133	10.0	1,702,933	10.0	3,469,066	0001
3	Targeted Classification Increases	2,935,173	0.0	2,935,173	0.0	5,870,346	Various
4	Air Monitoring - Revised Federal Sulfur Dioxide Standard	2,982,015	8.0	1,742,015	8.0	4,724,030	5094
5	Brazos Watermaster	736,799	7.0	460,820	7.0	1,197,619	0158
6	Agency Vehicles	504,000	0.0	0	0.0	504,000	Various
7	Telecom Migration and Regional Phone Replacement	360,325	0.0	272,815	0.0	633,140	Various
8	Monitoring Equipment - Field Investigators	655,090	0.0	0	0.0	655,090	Various
9	Data Center Services - Growth and Expansion	1,181,938	0.0	346,882	0.0	1,528,820	0001
	Total Exceptional Items	**$15,121,473**	**25.0**	**$11,460,638**	**25.0**	**$26,582,111**	

Exceptional Item Request Descriptions

Priority	Item	Description	FY 2016 Request	FY 2016 FTEs	FY 2017 Request	FY 2017 FTEs	Biennial Request
1	General Revenue to Support Revenue Shortage	The Water Resource Management Account supports the water programs of the agency. Water programs had been mostly funded with General Revenue and Water Resource Management Account. Over the past few biennia, General Revenue has been reduced, increasing the burden to the Water Resource Management Account. This account will not be able to sustain its current funding obligations. Without an increase in General Revenue, a fee increase will be needed in the Water Resource Management Account.	4,000,000	0.00	4,000,000	0.00	8,000,000
2	Water Operational Needs	Additional resources are needed to process changes of ownership, support drought response activities, and analyze, update, and maintain the water availability models for 23 river basins in the state. The number of pending changes of ownership has increased dramatically from 103 cases in May 2011 to the current 808 cases, due to water use report outreach and drought-related field staff investigations. Additional resources will also support determinations on the level of compliance for each water system, identifying violations, ensuring proper public notification of violations, and referring non-compliers to Enforcement. Also, additional resources will address increasing workloads and the requirements of a new method of sample analysis. The resources will also improve permit time frames for stormwater, industrial wastewater, municipal wastewater, and plans and specs for TAC Chapter 217. Additional funds are needed to identify current owners for approximately 170 of the more complex cases among water rights. Updated water use information is critical for managing surface water use during drought conditions. Funds are also needed to purchase water monitoring equipment to collect environmental data to determine compliance, measure health and environmental indicators, and facilitate critical and essential decisions relative to water.	1,766,133	10.00	1,702,933	10.00	3,469,066

Exceptional Item Request Descriptions

Priority	Item	Description	FY 2016 Request	FY 2016 FTEs	FY 2017 Request	FY 2017 FTEs	Biennial Request
3	Targeted Classification Increases	The agency lags state agency averages which contributes to turnover in some classifications. The classifications of interest are accountants, attorneys, auditors, chemists, contract specialists, electronics technicians, engineers, engineering specialists, geoscientists, hydrologists, planners, systems analysts, and web administrators.	2,935,173	0.00	2,935,173	0.00	5,870,346
4	Air Monitoring - Revised Federal Sulfur Dioxide Standard	The EPA revised the primary sulfur dioxide (SO_2) National Ambient Air Quality Standard (NAAQS) to a 1-hour standard of 75 parts per billion in June 2010. EPA's proposed strategy for implementation of the standard and determining area designations relies on the use of modeling and/or monitoring. Using EPA's proposed thresholds, TCEQ estimates the need to deploy at least 31 new SO_2 monitors statewide by EPA's targeted deployment date of January 1, 2017. The first year includes funding for FTEs and general operations to perform siting, deployment, maintenance, and technical support of these additional monitors as well as $1.6M in capital funding to procure the necessary monitoring trailers and instrumentation. The second year includes funding to support ongoing operations, maintenance, and technical support.	2,982,015	8.00	1,742,015	8.00	4,724,030
5	Brazos Watermaster	In April 2014, the Commission appointed a Watermaster in the Lower Brazos River Basin, which includes Possum Kingdom Lake. The 83rd Legislature provided funding in the event a new watermaster office was created. However, the funding was dependent on the collection of revenue from the new watermaster. Revenue collections are expected to occur during FY 16. This request establishes the staff and operational needs to implement the program. It also includes capital needs such as computers and vehicles.	736,799	7.00	460,820	7.00	1,197,619

Legislative Appropriations Request
Fiscal Years 2016-2017

Exceptional Item Request Descriptions

Priority	Item	Description	FY 2016 Request	FY 2016 FTEs	FY 2017 Request	FY 2017 FTEs	Biennial Request
6	Agency Vehicles	The vehicles are used to support statewide investigations, compliance monitoring, special investigations and emergency response activities. The current fleet includes vehicles older than 9 years and mileage greater than 100,000 miles, which exceed the lifecycle criteria recommended by the Comptroller. The vehicles are needed to ensure investigators have reliable and safe transportation to perform their job duties.	$ 504,000	0.00	$ -	0.00	$ 504,000
7	Telecommunications Migration and Regional Phone Replacement	TCEQ has old and failing regional telephone systems. The agency needs to migrate to a centralized telecommunications platform based on new technology. The baseline budget contains a request for new servers for unified communications, conferencing and call session management to the core of the Park 35 system. TCEQ regional public branch exchanges (PBX) in the regional offices are end-of-life and will be replaced with telephone gateways and handsets for the regions listed below. The new system will allow for centralized management from Park 35. The branch gateways will be configured to be survivable should the Park 35 system be disrupted. This project will include the phone upgrades for DFW, Stephenville, Houston, Houston Lab, Galveston Bay, regional offices and a replacement pool of 200 handsets for Park 35. In order to complete the TCEQ telecommunication upgrade, the agency is requesting an exceptional item for the remaining regional offices of Amarillo, Lubbock, Abilene, Tyler, San Angelo, Eagle Pass, Harlingen, and Laredo to obtain the new public branch exchanges and handsets. Without the baseline telecommunication upgrade, these regional offices would not have the centralized management capability.	360,325	0.00	272,815	0.00	633,140

Legislative Appropriations Request
Fiscal Years 2016-2017

Exceptional Item Request Descriptions

Priority	Item	Description	FY 2016 Request	FY 2016 FTEs	FY 2017 Request	FY 2017 FTEs	Biennial Request
8	Monitoring Equipment - Field Investigators	Agency investigators play a key role in protecting our state's natural resources by collecting environmental data and identifying/documenting areas of noncompliance. The data can be used to determine compliance, measure health and environmental indicators, and to facilitate employee safety decisions relative to personal protection equipment during scheduled and emergency response activities, including disaster preparedness and response. The increased demand for monitoring equipment is expected to continue as Texas sees increased growth throughout the state, a lingering statewide drought and increased gas production activity in three shale plays including the Barnett, Eagle Ford and Permian Basin shales.	655,090	0.00	0	0.00	655,090
9	Data Center Services - Growth and Expansion	The Data Center Consolidation project consists of the information technology infrastructure assets and functions in the scope of the Data Center Services contract entered into by the Department of Information Resources to fulfill the requirements of HB1516, 79th Legislature, Regular Session. Through FY 2011, Team for Texas, a consortium led by IBM, is the service provider. Beginning in later FY 2012, a new consortium, including Capgemini and ACS took over as the service provider. 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. Facilities are included after transformation. Service functions include system administration, physical database administration, procurement, and technical support.	1,181,938	0.00	346,882	0.00	1,528,820
Total Exceptional Item Requests			**$15,121,473**	**25.00**	**$11,460,638**	**25.00**	**$26,582,111**

Legislative Appropriations Request
Fiscal Years 2016-2017

Summary of Rider Revisions Request

Rider #	Rider Name	Overview of Revisions
3	Contingency Cash Flow.	No Change
4	Authorization: Aircraft Chartering.	No Change
5	Local Air Pollution Grants Allocation.	No Change
6	Fee Revenue: Pollution Control Equipment Exemptions.	No Change
7	Authorization: Operating Fund.	No Change
8	Appropriation: Air Quality Planning.	Removed the language regarding work plans.
9	Contract with the State Office of Administrative Hearings.	Updated amounts to reflect PUC transfer of CCN and rates.
10	Texas Parks and Wildlife Environmental Special Investigations Unit.	No Change
11	Federal Funds and Capital Budget Expenditures.	No Change
12	Appropriation: Refinement and Enhancement of Modeling to Demonstrate Attainment with the Clean Air Act.	No Change
13	Reallocation of Revenue and Balances for Certain Accounts.	No Change
14	Appropriations Limited to Revenue Collections: Automobile Emission Inspections.	Fee was added to the rider for transparency.
15	Appropriation: Administration Costs for the Texas River Compact Commissions.	No Change
16	Appropriation: Perpetual Care Account.	Revised to reflect SB 347, 83rd Legislature, which created the Environmental Radiation and Perpetual Care Account, appropriates revenues in the event of a release and appropriates all security to the agency.
17	Unexpended Balance Authority within the Biennium.	No Change
18	Nuisance Surveys for the Economically Distressed Areas Program.	No Change
19	Reimbursement of Advisory Committees.	No Change
20	Authorization: Water and Air Program Fee Rates.	No Change

Legislative Appropriations Request
Fiscal Years 2016-2017

Summary of Rider Revisions Request

Rider #	Rider Name	Overview of Revisions
21	Texas Emissions Reduction Plan (TERP): Grants and Administration.	Updated the allocations by program to reflect the total appropriated in the MOF section of the GAA.
22	Contingency Appropriation: Revenue from Increased Fee Rates at Watermaster Offices.	No Change
23	Aggregate Operations along the San Jacinto River.	Removed the San Jacinto River language to broaden the scope for flyovers across the state as needed.
24	Petroleum Storage Tank Administration: Temporary and Contract Worker Exemption from the Limitation on Full-Time Equivalent (FTE) Positions.	No Change
25	Low-Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP).	Fee was added to the rider for transparency and cited the statute number for the local initiatives projects for consistency.
26	Petroleum Storage Tank Responsible Party Remediation.	No Change
27	Barnett Shale Permit By Rule Study.	No Change
28	Litigation Expenses for the Rio Grande Compact Commission.	No Change
29	Appropriation: Fee Revenue for Newly-Created Watermaster Program.	Revised to reflect the resources needed to implement the Brazos Watermaster Office.
30	Appropriation: Unexpended Balances from Cost Recovery for Site Remediation and Cleanups.	No Change
31	Contingency for House Bill 7: Environmental Remediation of a Closed Battery Recycling Facility.	Rider deleted since funding expires September 30, 2014.
701	New Rider - Appropriation: Expedited Processing of Permit Applications.	New rider proposed to support the expedited processing of permit applications as a result of the passage of SB 1756, 84th Legislature.