

---

### III. Role of the Galveston Bay Program in Implementation Funding

---

#### Activities of The Galveston Bay Program

The Galveston Bay Program staff will devote themselves to ensuring that *The Galveston Bay Plan* priorities are implemented. To assure adequate funding for the implementation of these actions, they will cooperate with other federal and state implementors to make sure that existing revenues for current programs are spent on priority conservation actions in the Galveston Bay area, and to augment funding wherever possible with matching grants from federal, state, and private grant-making organizations. Matching grants can be used to multiply the amount of funds available for conservation programs. The staff can also enhance cooperation between implementors by making use of partnership programs wherever possible. The staff will need to pay careful attention to those actions that require local implementation or which affect local governments and entities. To avoid imposing unfunded mandates, the staff will need to help cities and counties to identify sources of funding to implement many *Galveston Bay Plan* actions.

The Management Conference has recommended that funding for start-up and administration of the Galveston Bay Program should come from state appropriations. A substantial portion of these appropriations will be used to match project grants from state, federal, and private organizations. Most of the funds appropriated to the Galveston Bay Program will be used to implement *Galveston Bay Plan* actions. Galveston Bay Program staff will help to secure funding for these actions from federal and state assistance programs that offer financial and "in kind" assistance, and from foundation and non-profit grant programs. Wherever possible, funds that are sought for implementation will be used to increase the efforts of appropriate existing programs, rather than create new duplicative programs.

Although funding can be derived from federal and state assistance programs and private foundations, these are temporary sources usually dedicated to a specific project on a one-time basis. More stable sources of revenue will be needed at the local level to pay for ongoing operation and maintenance of water and sewer systems, stormwater management systems, and other infrastructure. Options for raising stable sources of revenue include funding mechanisms such as bonds, fees, and taxes.

Federal assistance in the form of grants, matching grants, loans, and in-kind technical assistance is available from many programs to partially fund most of the current CCMP actions. Funding from the State of Texas includes monies appropriated by the state legislature as well as grants and loans. To add stability to the revenue stream, to optimize the funding of *Galveston Bay Plan* implementation, and to avoid placing the burden of paying for implementation on any one user group, a combination of federal, state, and local funding sources will be needed to successfully achieve priority project implementation.

## **Funding the Galveston Bay Program**

Several options for managing and funding the Galveston Bay Program have been considered by the Management Conference. As these options have been considered, options to pay for the start-up and operation of the Galveston Bay Program have been suggested by the Financial Planning Committee as well as by the Management Committee, and other members of the Management Conference. Early in the process, the Conference actively considered establishing a regional authority. Options to finance the administration of the authority, including state appropriations and local mechanisms were recommended, analyzed for their potential, presented to and discussed by the Financial Planning, Management, and Policy Committees.

After careful consideration of this option by focus groups with local government representatives, the Management Conference recommended that the Galveston Bay Program be managed within the Texas Natural Resource Conservation Commission, and funded by state appropriations. Funding of start-up and management of the Galveston Bay Program through state appropriations was preferred by the Financial Planning Committee and the Management Committee because it provides a stable, predictable basis for program development and a focus on the implementation of Galveston Bay Plan priority initiatives.

Funding start-up and administration of the program by state appropriations is justified by the fact that the bay is a resource of great economic importance to the state. Although National Estuary Program guidance encourages primary reliance on non-federal funds for implementation of CCMPs, appropriations from the federal government for administration of programs can be justified because the bay is a resource of national importance named in the Clean Water Act. The Puget Sound program and several other National Estuary Programs receive direct appropriations from the federal government, as do similar projects such as the Chesapeake Bay Program, The Gulf of Mexico Program, and the Great Lakes Program.

It is crucial that a public information campaign be launched before any effort is made by state or local governments to pass a bond referendum, set fees, or levy taxes to fund initiatives. Such a campaign should seek to inform the public of the need for and the benefits of the bonds, fees, or taxes proposed.

Funds raised through user fees should fund the programs for which they are collected. Examples include drainage fees for stormwater infrastructure improvement, coastal protection (oil import) fees for spill response preparedness, and Water Quality Assessment (Clean River Act) Fees for river basin water quality assessments. To assure the public that the fees will be spent on specific user functions or impacts, their revenues can be placed in dedicated accounts. Dedicated accounts can also be used to leverage money available from federal, state, foundation, and partnership matching grants. These monies can then be used to fund *Galveston Bay Plan* implementation.

## Key Needs for Successful Implementation Funding

Successful funding strategies must take into account important needs for implementation. In order to implement *The Galveston Bay Plan*, funds must be adequate to ensure that implementors have enough staff members, and that those staff members are well trained. These staff are needed to develop, support, monitor, and enforce regulatory or voluntary environmental management programs. Activities such as modeling, research, planning, and regulatory activities require support programs with an adequate number of well trained staff, and may also require sophisticated equipment.

In seeking funds from grant programs as well as appropriations and allocations of existing programs, it must be remembered that there is a high level of competition for these funds. Although earmarking funds is a way to guarantee that the funds will be spent on activities for which they were collected, earmarking may reduce fiscal flexibility. For this reason, administrators and legislators are often reluctant to commit funds to specific programs, and often prefer to let the implementing agency prioritize where funds will be spent.

Whether asking the legislature for appropriations or applying for grant funding, it is important to be clear in describing the need for the funding, how it will be used, and whether funds will be dedicated to specific initiatives. When considering financing mechanisms, it is important to realize that legislators may be reluctant to allocate funds from the entire state for use in one region.

With these important considerations in mind, the following key needs have been used in developing a comprehensive financing strategy for *The Galveston Bay Plan*:

The need to use existing laws and programs, such as federal funds for keeping lands in agricultural and forestry use, or under conservation easements.

The need to use existing revenue streams, because it is easier to ask for an increase in already allocated and earmarked funds or collected fees than to ask for new funding which may require additional costs of administration, as well as earmarking. Some examples of this include:

- Coastal Protection Fund (Funded by fees on oil transported in Texas Waters);
- Sport Fish Restoration Fund (administered by the TPWD);
- Wetlands Reserve Program (administered by the USDA); and
- Water Quality Fund (administered by TNRCC).

The need to seek involvement of private finances. For example:

- The Nature Conservancy for land acquisition;
- Clean Channel and the Marine Spill Response Corporation;
- Foundation support.

The need to encourage behavior change involving some financial mechanisms, such as to discourage effluent or toxic dumping, or to set aside land for conservation purposes, rather than to raise revenues.

The need to not depend exclusively on fines and penalties, because their purpose is to increase compliance and reduce pollution. If they are successful, revenues from them should decrease.