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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 22, 2022

Laurie Gharis
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

Subject: Summary of the FY 2023 Recommended Operating Budget and FY 2024/2025 Legislative Appropriations Request. TCEQ Docket No 2022-0696-MIS.

Dear Ms. Gharis:

I have enclosed the original Summary of the FY 2023 Recommended Operating Budget and FY 2024/2025 Legislative Appropriations Request (LAR). Please let me know if you have any questions.

Sincerely,

Stephanie Robinson

Stephanie Robinson
Assistant Deputy Director, Budget & Planning Division

Texas Commission on Environmental Quality



Summary of the FY 2023 Recommended Operating Budget

August 10, 2022

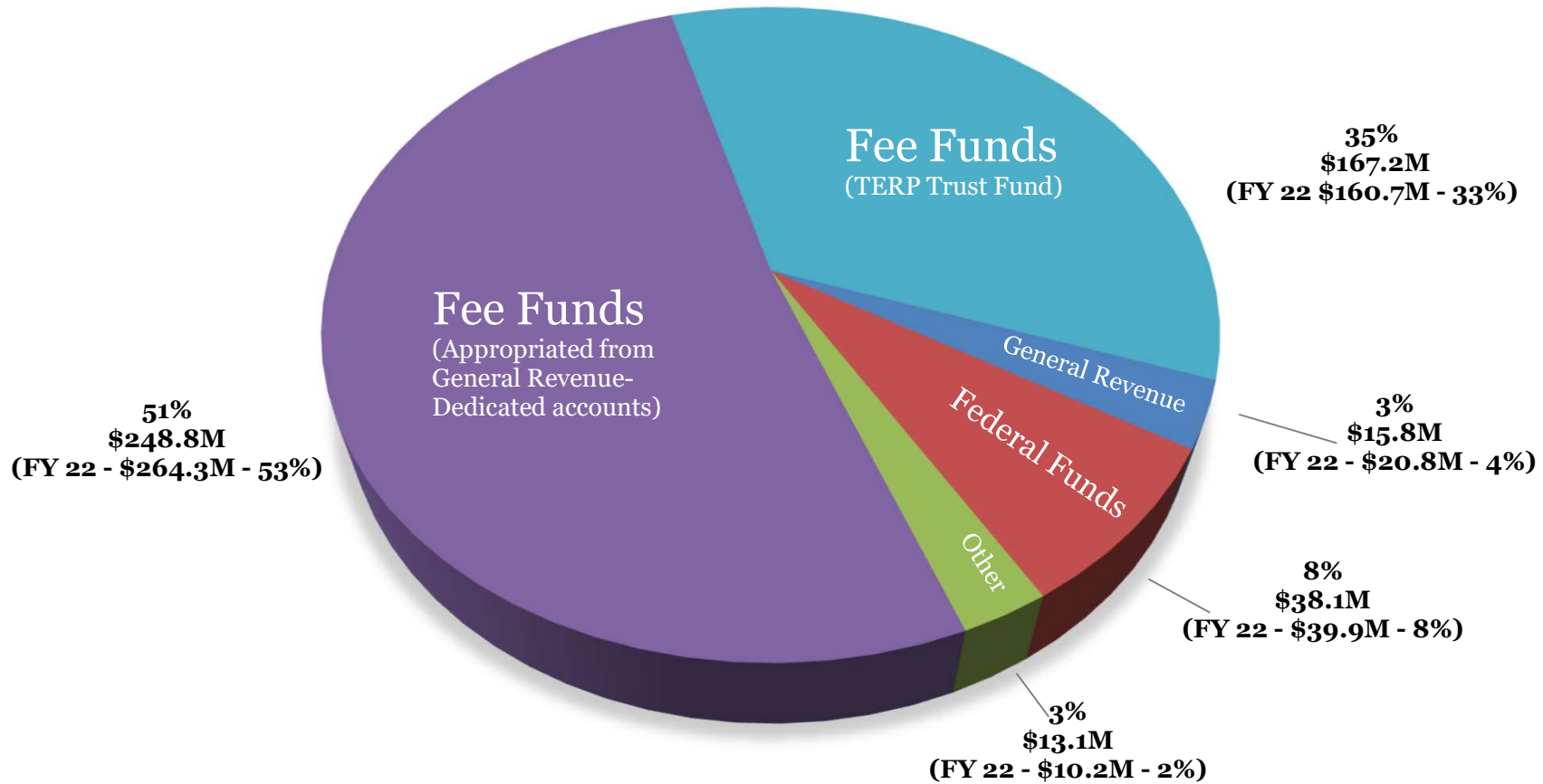
**Texas Commission on Environmental Quality
FY 2023 Operating Budget**

Appropriation Summary

	FY 2022		FY 2023	
	Budget	FTE	Budget	FTE
Baseline Appropriations				
Article VI - Baseline	\$ 334,316,192	2,792.8	\$ 312,696,623	2,802.3
Other Appropriations and Reductions				
Article IX, Section 13.01: Federal Funds/Block Grants	3,105,793	0.0	1,907,906	0.0
Article IX, Section 8.02: Reimbursements and Payments	903,638	0.0	0	0.0
Article IX, Sec 8.13: Appropriation of Specialty License Plate Receipts	262	0.0	0	0.0
Article IX, Sec 18.28: SB 3 - Weather Emergencies Preparation & Response	1,076,543	17.0	945,043	17.0
Article IX, Sec 18.44: SB 900 - Safety at Storage Vessels (PSSSV) Program	118,946	2.0	118,946	2.0
	<u>5,205,182</u>	<u>19.0</u>	<u>2,971,895</u>	<u>19.0</u>
Total Appropriated Budget	\$ 339,521,374	2,811.80	\$ 315,668,518	2,821.30
Total Estimated TERP Trust Fund	\$ 160,760,665	145.34	\$ 167,164,335	146.87
Total Agency Budget	\$ 500,282,039	2,957.14	\$ 482,832,853	2,968.17

**Texas Commission on Environmental Quality
FY 2023 Operating Budget**

Method of Finance



Total = \$482,832,853

■ General Revenue
 ■ Federal Funds
 ■ Other
 ■ Appropriated Fee Funds
 ■ TERP Fee Funds

**Texas Commission on Environmental Quality
FY 2023 Operating Budget**

Table I - FTE Comparison Summary

Office	FY 2022	FY 2023	Difference
Commissioners	70.63	70.63	0.00
Executive	84.00	84.00	0.00
Office of Administrative Services	380.00	381.95	1.95
Office of Compliance & Enforcement	1,082.50	1,087.50	5.00
Office of Legal Services	139.46	142.54	3.08
Office of Water	446.50	445.50	-1.00
Office of Waste	319.25	321.25	2.00
Office of Air	434.80	434.80	0.00
Agency Wide	-	-	0.00
Agency Total	<u><u>2,957.14</u></u>	<u><u>2,968.17</u></u>	<u><u>11.03</u></u>

**Texas Commission on Environmental Quality
FY 2023 Operating Budget**

Table II - Budget Comparison Summary

Office	FY 2022	FY 2023	Difference	% Change
Commissioners	\$ 6,389,368	\$ 6,327,022	\$ (62,346)	(0.98%)
Executive	10,642,883	9,568,070	(1,074,813)	(10.10%)
Office of Administrative Services	60,141,440	60,010,085	(131,355)	(0.22%)
Office of Compliance & Enforcement	83,108,462	83,309,186	200,724	0.24%
Office of Legal Services	10,250,676	10,858,265	607,589	5.93%
Office of Water	65,623,135	59,550,461	(6,072,674)	(9.25%)
Office of Waste	63,585,393	55,857,970	(7,727,423)	(12.15%)
Office of Air	184,079,573	186,380,400	2,300,827	1.25%
Agency Wide	15,061,109	10,971,394	(4,089,715)	(27.15%)
Agency Total	<u>\$ 498,882,039</u>	<u>\$ 482,832,853</u>	<u>\$ (16,049,186)</u>	<u>(3.22%)</u>

**Texas Commission on Environmental Quality
FY 2023 Operating Budget**

Table III - Budget Category Comparison

Budget Category	FY 2022	FY 2023	Difference	% Change
Salaries				
Salaries	\$ 177,010,388	\$ 187,167,918	\$ 10,157,530	5.74%
Salary Enhancements	3,450,000	3,450,000	-	0.00%
Subtotal	<u>\$ 180,460,388</u>	<u>\$ 190,617,918</u>	<u>\$ 10,157,530</u>	<u>5.63%</u>
Other Operating Costs				
Professional/Temporary	50,311,400	42,079,866	(8,231,534)	(16.36%)
Travel In-State	1,522,186	1,668,043	145,857	9.58%
Travel Out-of-State	279,894	247,479	(32,415)	(11.58%)
Training	1,911,115	1,935,229	24,114	1.26%
Rent-Building	6,750,762	6,370,667	(380,095)	(5.63%)
Postage	783,895	808,404	24,509	3.13%
Telephone & Utilities	1,753,557	1,713,502	(40,055)	(2.28%)
Supplies	738,435	779,301	40,866	5.53%
Capital (not limited to LAR Capital)	3,817,499	2,911,035	(906,464)	(23.74%)
Other Operating Costs	24,942,893	17,199,651	(7,743,242)	(31.04%)
Fuels & Lubricants	457,513	457,902	389	0.09%
Rent-Machine and Other	864,715	1,085,102	220,387	25.49%
Facilities, Furnishings & Equipment	5,906,924	4,029,039	(1,877,885)	(31.79%)
Subtotal	<u>\$ 100,040,788</u>	<u>\$ 81,285,220</u>	<u>\$ (18,755,568)</u>	<u>(18.75%)</u>
Remediation, Reimbursements & Grant Contracts				
Other Remediation, Reimbursements & Grants	73,620,198	59,765,380	(13,854,818)	(18.82%)
Texas Emissions Reduction Plan Grants	144,760,665	151,164,335	6,403,670	4.42%
Subtotal	<u>\$ 218,380,863</u>	<u>\$ 210,929,715</u>	<u>\$ (7,451,148)</u>	<u>(3.41%)</u>
Agency Total	<u><u>\$ 498,882,039</u></u>	<u><u>\$ 482,832,853</u></u>	<u><u>\$ (16,049,186)</u></u>	<u><u>(3.22%)</u></u>

**Texas Commission on Environmental Quality
FY 2023 Operating Budget**

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

Remediation, Reimbursement and Grant Contracts

Air Quality and Monitoring Grants	\$ 2,521,054
Drinking Water Quality and Standards Grants	5,561,577
Dry Cleaning Facilities	3,289,210
Estuary Programs	1,655,783
Local Air Grants - Federal	862,500
Local Air Grants - State	1,801,863
Miscellaneous RRG Contracts	1,915,592
Other Remediation	492,246
Petroleum Storage Tank Program	12,928,472
Solid Waste Management Grants	5,493,162
Superfund	11,721,968
Texas Emission Reduction Plan Grants	151,164,335
Water Quality and Monitoring Grants	6,442,764
Water Quality Clean Rivers	5,079,189
 Agency Total	 <u>\$ 210,929,715</u>

Texas Commission on Environmental Quality
FY 2023 Operating Budget

Table V - Capital Budget Comparison

	FY2022	FY2023	Difference
Information Technology			
Data Center Consolidation	\$ 12,378,392	\$ 12,442,446	\$ 64,054
Technology Operation & Security Infrastructure	619,253	586,500	(32,753)
Personal Computer Replacement	927,451	658,737	(268,714)
Air and Water Monitoring Data Mgmt System	1,250,000	-	(1,250,000)
Federal Lead & Copper Rule Revision	600,000	900,000	300,000
Centralized Accounting and Payroll Processing System (CAPPS)	<u>1,346,907</u>	<u>1,920,264</u>	<u>573,357</u>
Total Acquisition of Information Resource Technology	\$ 17,122,003	\$ 16,507,947	\$ (614,056)
Vehicle Replacement			
Replacement Vehicles for Agency Fleet	<u>304,574</u>	<u>235,426</u>	<u>(69,148)</u>
Total Vehicle Replacement	\$ 304,574	\$ 235,426	\$ (69,148)
Acquisition of Capital Equipment and Items			
Monitoring and Analysis Equipment	590,990	292,790	(298,200)
Safety Improvements for Houston Regional Office	890,000	-	(890,000)
Optical Gas Imaging Cameras	<u>400,000</u>	<u>-</u>	<u>(400,000)</u>
Total Acquisition of Capital Equipment and Items	\$ 1,880,990	\$ 292,790	\$ (1,588,200)
Agency Total	<u><u>\$ 19,307,567</u></u>	<u><u>\$ 17,036,163</u></u>	<u><u>\$ (2,271,404)</u></u>

Texas Commission on Environmental Quality
FY 2023 Operating Budget

Table VI - Information Technology Project Descriptions

Project Name	Project Description	FY 2023
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.	\$ 12,442,446
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, voice-over-IP (VoIP), video conferencing, collaboration and mobility services. This plan replaces, and adds capacity or capability 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
Personal Computers Replacement	This project replaces personal computer workstations throughout the agency on an approximate 5 year lifecycle. The agency replaces approximately 20% of the agency's workstations each year and purchase a 4-year extended warranty with each system.	\$ 658,737
CAPPS Financials Implementation ERP System	The agency converted to the Centralized Accounting and Payroll/Personnel System (CAPPS) HR/Payroll in FY20 and will convert to CAPPS Financials in FY 24. CAPPS is an Enterprise Resource Planning (ERP) tool for Texas. All agencies are required to convert to the new system. For HR/Payroll, the agency continues to allocate resources to support business processes where gaps existed between agency applications and the CAPPS HR/Payroll system. These resources are also managing the additional workload, documenting changes in processes, staff training, and serving as CAPPS experts. Given the greater complexity of CAPPS Financials and the extent of the agency's financial operations, TCEQ will need to expend significant time and personnel resources to the Financials deployment.	\$ 1,920,264
Federal Lead & Copper Rule Revision	This project develops a new database for the implementation of the Lead and Copper Rule Revisions (LCRR) and the Water Infrastructure Improvement for the Nation (WIIN) Act . The database will house drinking water data and perform compliance determinations required by the proposed LCRR and to meet EPA grant requirements. The database provides tracking and reporting functions to the EPA for WIIN grant activities for lead testing in schools and childcare facilities.	\$ 900,000
Total Information Technology Projects		\$ 16,507,947

**Texas Commission on Environmental Quality
FY 2023 Operating Budget**

Table VII - Texas Emissions Reduction Plan Summary

Texas Emissions Reduction Plan Programs	Statutory Allocation	FY 2023
TCEQ Administration	\$6M to \$16M	\$ 16,000,000
Regional Air Monitoring (Max)	Not more than \$3M	3,000,000
Texas Clean School Bus (Min)	4.00%	6,591,000
Alternative Fueling Facilities (Max)	Not more than \$6M	6,000,000
Texas Clean Fleet (Min)	5.00%	8,238,750
Texas Natural Gas Vehicle Grant (Min)	10.00%	16,477,500
Light-Duty Motor Vehicle Purchase or Lease Incentive (Min)	5.00%	8,238,750
Port Authority Studies and Pilot Projects (Max)	Not more than \$500k	500,000
Governmental Alternative Fueling Fleet (Max)	3.00%	2,389,335
New Technology Implementation Grant (Min)	3.00%	4,943,250
Seaport and Rail Yard Areas Emissions Reduction (Min)	6.00%	9,886,500
Health Effects Study (Max)	Specified Amount	200,000
Research (Max)	Specified Amount	750,000
Energy Systems Laboratory Contract (Max)	Specified Amount	216,000
Research for Demonstrations to EPA	Not more than \$2.5M	2,500,000
Diesel Emissions Reduction Incentive Programs		
- Emissions Reduction Incentive Grants Program		
- Rebate Grants Program	Balance	80,733,250
Health and Safety Code Sec. 386.252 Air Quality Planning	Specified Amount	500,000
Total Program Allocation		<u>\$ 167,164,335</u>

Note: Amounts indicated in above table are based on current revenue and program need estimates.

Texas Commission on Environmental Quality



Summary of the Recommended 2024-2025 Legislative Appropriations Request

August 10, 2022

**Legislative Appropriations Request
Fiscal Years 2024/2025**

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**Legislative Appropriations Request
Fiscal Years 2024/2025**

Summary of Base Request by Method of Finance

MOF	Method of Finance	FY 2021 Expended	FY 2022 Estimated	FY 2023 Budget	FY 2022/2023 Total	FY 2024 Request	FY 2025 Request	FY 2024/2025 Total
0001	General Revenue	19,185,851	23,420,565	15,752,636	39,173,201	20,819,625	15,743,999	36,563,624
	Subtotal, General Revenue (GR)	\$ 19,185,851	\$ 23,420,565	\$ 15,752,636	\$ 39,173,201	\$ 20,819,625	\$ 15,743,999	\$ 36,563,624
0088	Low Level Waste	1,425,297	1,505,919	1,505,919	3,011,838	1,525,595	1,525,595	3,051,190
0151	Clean Air	50,777,891	55,744,723	50,607,754	106,352,477	55,714,822	50,340,446	106,055,268
0153	Water Resource Management	59,968,839	65,743,710	67,888,205	133,631,915	67,421,214	67,334,066	134,755,280
0158	Watermaster Administration	2,357,727	2,154,065	2,152,997	4,307,062	2,287,530	2,287,530	4,575,060
0468	Occupational Licensing	1,794,611	1,705,273	1,705,273	3,410,546	1,743,816	1,743,816	3,487,632
0549	Waste Management	34,306,055	34,900,022	37,655,931	72,555,953	36,402,852	36,304,498	72,707,350
0550	Hazardous & Solid Waste	26,857,480	30,283,477	25,032,500	55,315,977	25,405,611	25,412,997	50,818,608
0655	Petroleum Storage Tank	22,376,121	21,019,556	23,184,505	44,204,061	22,014,283	21,979,550	43,993,833
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
5020	Workplace Chemicals List	738,529	966,533	1,386,533	2,353,066	1,177,605	1,177,605	2,355,210
5065	Environmental Testing Lab	615,668	730,388	730,388	1,460,776	738,671	738,671	1,477,342
5071	Texas Emissions Reduction Plan	106,339,363	-	-	-	-	-	0
5093	Dry Cleaning Release	3,672,552	3,650,201	3,800,201	7,450,402	3,731,613	3,731,613	7,463,226
5094	Operating Permit Fees	33,767,276	35,265,407	34,905,997	70,171,404	34,729,995	34,666,201	69,396,196
5158	Environ. Radiation & Perpetual Care	8,989	2,659,000	341,000	3,000,000	3,000,000	-	3,000,000
	Subtotal, GR Dedicated	\$ 350,499,560	\$ 261,821,436	\$ 256,390,365	\$ 518,211,801	\$ 261,386,769	\$ 252,735,750	\$ 514,122,519
0325	Coronavirus Relief Fund	400	-	-	-	-	-	-
0555	Federal Funds	37,984,300	41,438,687	41,326,087	82,764,774	39,904,129	38,099,458	78,003,587
	Subtotal, Federal Funds	\$ 37,984,700	\$ 41,438,687	\$ 41,326,087	\$ 82,764,774	\$ 39,904,129	\$ 38,099,458	\$ 78,003,587
0666	Appropriated Receipts	607,290	2,275,283	5,001,421	7,276,704	1,145,348	1,145,348	2,290,696
0777	Interagency Contracts	7,851,632	11,272,393	11,928,475	23,200,868	9,044,300	9,044,300	18,088,600
0802	License Plate	-	1,933	-	1,933	-	-	-
	Subtotal, Other Funds	\$ 8,458,922	\$ 13,549,609	\$ 16,929,896	\$ 30,479,505	\$ 10,189,648	\$ 10,189,648	\$ 20,379,296
	Total Method of Finance	\$ 416,129,033	\$ 340,230,297	\$ 330,398,984	\$ 670,629,281	\$ 332,300,171	\$ 316,768,855	\$ 649,069,026
	Total FTEs	2,652.2	2,811.8	2,821.3		2,824.3	2,824.3	

**Legislative Appropriations Request
Fiscal Years 2024/2025**

Summary of Base Request by Strategy

Strategy No. and Name		FY 2021 Expended	FY 2022 Estimated	FY 2023 Budget	FY 2022/2023 Total	FY 2024 Request	FY 2025 Request	FY 2024/2025 Total
01-01-01	Air Quality Assessment and Planning	142,015,142	41,643,206	37,314,952	78,958,158	40,565,879	35,768,108	76,333,987
01-01-02	Water Assessment and Planning	30,403,535	33,024,671	30,967,350	63,992,021	30,999,046	30,635,801	61,634,847
01-01-03	Waste Assessment and Planning	6,947,367	6,453,064	6,445,753	12,898,817	6,458,385	6,458,385	12,916,770
01-02-01	Air Quality Permitting	15,893,635	17,305,764	17,077,565	34,383,329	17,385,260	17,385,260	34,770,520
01-02-02	Water Resource Permitting	13,665,906	13,640,987	14,130,188	27,771,175	13,926,008	13,926,008	27,852,016
01-02-03	Waste Management and Permitting	9,848,197	10,053,271	10,512,103	20,565,374	10,594,296	10,594,296	21,188,592
01-02-04	Occupational Licensing	1,333,276	1,309,584	1,333,079	2,642,663	1,360,580	1,360,580	2,721,160
01-03-01	Radioactive Materials Management	2,848,225	5,674,989	3,313,207	8,988,196	6,003,783	3,003,783	9,007,566
Total, Goal 01:		\$222,955,283	\$129,105,536	\$121,094,197	\$250,199,733	\$127,293,237	\$119,132,221	\$246,425,458
02-01-01	Safe Drinking Water	18,991,876	23,284,774	27,167,124	50,451,898	24,331,420	22,332,029	46,663,449
Total, Goal 02:		\$18,991,876	\$23,284,774	\$27,167,124	\$50,451,898	\$24,331,420	\$22,332,029	\$46,663,449
03-01-01	Field Inspections & Complaints	52,058,122	56,025,515	55,771,487	111,797,002	55,319,964	55,249,684	110,569,648
03-01-02	Enforcement & Compliance Support	13,716,096	14,350,908	15,225,039	29,575,947	15,039,912	15,069,977	30,109,889
03-01-03	Pollution Prevention Recycling	2,005,518	3,135,125	3,190,584	6,325,709	3,208,638	3,208,638	6,417,276
Total, Goal 03:		\$67,779,736	\$73,511,548	\$74,187,110	\$147,698,658	\$73,568,514	\$73,528,299	\$147,096,813
04-01-01	Storage Tank Admin and Cleanup	15,879,532	15,906,691	17,991,415	33,898,106	17,241,513	17,228,013	34,469,526
04-01-02	Hazardous Materials Cleanup	23,084,723	29,559,018	28,659,365	58,218,383	24,844,458	24,844,458	49,688,916
Total, Goal 4:		\$38,964,255	\$45,465,709	\$46,650,780	\$92,116,489	\$42,085,971	\$42,072,471	\$84,158,442
05-01-01	Canadian River Compact	12,757	16,919	16,919	33,838	16,919	16,919	33,838
05-01-02	Pecos River Compact	116,735	136,650	136,650	273,300	136,650	136,650	273,300
05-01-03	Red River Compact	25,920	35,539	35,539	71,078	35,539	35,539	71,078
05-01-04	Rio Grande River Compact	4,816,508	7,889,136	199,996	8,089,132	5,279,777	199,996	5,479,773
05-01-05	Sabine River Compact	48,733	62,111	62,111	124,222	62,111	62,111	124,222
Total, Goal 05:		\$5,020,653	\$8,140,355	\$451,215	\$8,591,570	\$5,530,996	\$451,215	\$5,982,211
06-01-01	Central Administration	24,222,838	22,885,685	24,177,238	47,062,923	24,385,960	24,385,960	48,771,920
06-01-02	Information Resources	29,165,525	29,126,761	29,473,983	58,600,744	27,878,120	27,640,707	55,518,827
06-01-03	Other Support Services	9,028,867	8,709,929	7,197,337	15,907,266	7,225,953	7,225,953	14,451,906
Total, Goal 06:		\$62,417,230	\$60,722,375	\$60,848,558	\$121,570,933	\$59,490,033	\$59,252,620	\$118,742,653
Total, Agency Strategy Request		\$416,129,033	\$340,230,297	\$330,398,984	\$670,629,281	\$332,300,171	\$316,768,855	\$649,069,026

**Legislative Appropriations Request
Fiscal Years 2024/2025**

Capital Budget Request

Project	FY 2022 Estimated	FY 2023 Budget	FY 2022/2023 Total	FY 2024 Request	FY 2025 Request	FY 2024/2025 Total	Biennial Difference
Data Center Services	12,378,392	12,442,446	24,820,838	12,378,392	12,442,446	24,820,838	0
CAPPS ERP System (HR and Financials)	1,346,907	1,920,264	3,267,171	2,274,148	2,274,148	4,548,296	(1,281,125)
Personal Computer Replacement	927,451	658,737	1,586,188	927,451	658,737	1,586,188	0
Technology Operations & Security Infrastructure	619,253	586,500	1,205,753	619,253	586,500	1,205,753	0
Federal Lead & Copper Rule Revision	600,000	900,000	1,500,000	750,000	750,000	1,500,000	0
Air and Water Monitoring Data Mgmt. System	1,250,000	0	1,250,000	0	0	0	1,250,000
Total Information Technology Items	17,122,003	16,507,947	33,629,950	16,949,244	16,711,831	33,661,075	(31,125)
Monitoring and Analysis Equipment	590,990	292,790	883,780	255,000	255,000	510,000	373,780
Optical Gas Imaging Cameras	400,000	0	400,000	0	0	0	400,000
Total Capital Equipment Items	990,990	292,790	1,283,780	255,000	255,000	510,000	773,780
Vehicle Replacement	304,574	235,426	540,000	1,159,303	1,013,352	2,172,655	(1,632,655)
Total Transportation Items	304,574	235,426	540,000	1,159,303	1,013,352	2,172,655	(1,632,655)
Safety Improvements for Houston Regional Office	890,000	0	890,000	0	0	0	890,000
Total Repairs or Rehabilitation of Buildings and Facilities	890,000	0	890,000	0	0	0	890,000
Total Capital Budget Request	\$19,307,567	\$17,036,163	\$36,343,730	\$18,363,547	\$17,980,183	\$36,343,730	\$0

**Legislative Appropriations Request
Fiscal Years 2024/2025**

Summary of Exceptional Items Request

Priority	Item	FY 2024		FY 2025		Biennial Request
		Request	FTEs	Request	FTEs	
1	Targeted Salary Increases for Mission Critical Staff	27,346,938	0.0	27,346,938	0.0	54,693,876
2	Increase Access to Public Records	3,573,590	0.0	3,573,590	0.0	7,147,180
3	Austin and Regional Offices' Lease & Maintenance/Security Increases	2,997,896	0.0	3,112,487	0.0	6,110,383
4	Agency Website Usability Enhancements	3,000,000	9.0	3,000,000	9.0	6,000,000
Total Exceptional Items Request		36,918,424	9.0	37,033,015	9.0	73,951,439

**Legislative Appropriations Request
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Exceptional Items Request Descriptions

Priority	Item	Description/Justification	FY 2024		FY 2025		Biennial Request
			Request	FTEs	Request	FTEs	
1	Targeted Salary Increases for Mission Critical Staff	The agency continues to lose critical staff to the private sector and other state agencies. These positions carryout key agency functions, ensuring compliance with state and federal regulations. While it is not possible to compete with private sector salaries, the agency should offer comparable salaries with other governmental entities.	27,346,938	0.0	27,346,938	0.0	54,693,876
2	Increase Access to Public Records	Imaging and Document Review and Redaction (DRR) of our most requested agency records and increasing availability of records to the public via our TCEQ Records Online portal. Posting a public version on our external site requires review and redaction of confidential information from the original agency record.	3,573,590	0.0	3,573,590	0.0	7,147,180
3	Austin and Regional Offices' Lease & Maintenance/Security Increases	TCEQ leases several buildings in Austin and in the regional areas. This funding would cover the estimated additional cost of the lease extension for FY24-25 for Austin Headquarters and 15 regional offices. Cost estimate also includes additional cost of the maintenance and security contract with the Texas Facilities Commission for the Austin Headquarters.	2,997,896	0.0	3,112,487.0	0.0	6,110,383
4	Agency Website Usability Enhancements	TCEQ is currently under review by the Sunset Advisory Commission (SAC). As part of the SAC's review in Major Issue 1, improvements to TCEQ's agency website were detailed to assist in usability and ease of access to data for the public.	3,000,000	9.0	3,000,000	9.0	6,000,000
Total Exceptional Items Request			36,918,424	9.0	37,033,015	9.0	73,951,439

**Legislative Appropriations Request
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Summary of Rider Revisions Request

Rider #	Rider Name	Overview of Revisions
3	Authorization: Aircraft Chartering	No Change
4	Local Air Pollution Grants Allocation	No Change
5	Fee Revenue: Pollution Control Equipment Exemptions	No Change
6	Authorization: Operating Fund	No Change
7	Air Quality Planning	The rider was revised to remove El Paso County from the affected counties list as El Paso County was designated as a nonattainment area for the 2015 ozone National Ambient Air Quality Standards (NAAQS).
8	Texas Parks and Wildlife Environmental Special Investigations Unit	No Change
9	Federal Funds and Capital Budget Expenditures	No Change
10	Refinement and Enhancement of Modeling to Demonstrate Attainment with the Clean Air Act	No Change
11	Reallocation of Revenue and Balances for Certain Accounts	No Change
12	Appropriations Limited to Revenue Collections: Automobile Emission Inspections	No Change
13	Administration Costs for the Texas River Compact Commissions	No Change
14	Environmental Radiation and Perpetual Care	No Change
15	Nuisance Surveys for the Economically Distressed Areas Program	No Change
16	Reimbursement of Advisory Committees	No Change
17	Unexpended Balance Authority within the Biennium	No Change
18	Authorization: Water and Air Program Fee Rates	No Change
19	Texas Emissions Reduction Plan (TERP): Grants and Administration	The rider was revised to increase the amount that TCEQ may temporarily utilize from TERP Account No. 5071 from \$1.4 million to \$2.5 million in the event the TERP Fund has cash flow difficulties as it reverts to a zero balance in the first year of each biennium. The increase in temporary funding utilized is needed due to increased administrative costs associated with supporting the increase in programmatic funding made accessible to the TERP program with the passage of HB 3745 in the 86th Legislative Regular Session.
20	Contingency Appropriation: Revenue from Increased Fee Rates at Watermaster Offices	No Change
21	Aggregate Operations	No Change

**Legislative Appropriations Request
Fiscal Years 2024-2025**

Summary of Rider Revisions Request

Rider #	Rider Name	Overview of Revisions
22	Petroleum Storage Tank Administration: Temporary and Contract Worker Exemption from the Limitation on Full-Time Equivalent (FTE) Positions	No Change
23	Petroleum Storage Tank Responsible Party Remediation.	No Change
24	Unexpended Balances from Cost Recovery for Site Remediation and Cleanups	No Change
25	Litigation Expenses for the Rio Grande Compact Commission	No Change
26	Barnett Shale Permit By Rule Study	No Change
27	Expedited Processing of Permit Applications	The rider was updated to reflect the amount of funds in the baseline.
28	Donna Reservoir and Canal System Federal Superfund Site	The rider is requested to be deleted as this is a one-time expense.
29	Texas Emissions Reduction Plan (TERP) Annual Report	No Change
30	Contingency for House Bill 2708	The rider is requested to be deleted as it has been implemented and is a one-time expense.
31	Air Monitoring Staff	The rider is requested to be deleted as it has been implemented and the funding is within the baseline.
New	Environmental Radiation and Perpetual Care Financial Assurance	This rider addresses appropriation constraints.
New	Capital Budget Expenditures	This rider would provide the agency the ability to utilize salary savings for capital budget items.

**Legislative Appropriations Request
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Rider Revisions and Additions Request

Rider Number	Page Number in 2022-2023 GAA	87th Proposed Riders Revisions and Additions
7	VI-20	<p>Air Quality Planning Air Quality Planning. Amounts appropriated above include \$4,500,000 for the biennium out of the Clean Air Account No. 151 in Strategy A.1.1, Air Quality Assessment and Planning, for air quality planning activities to reduce ozone in “affected counties” (as defined in Texas Health and Safety Code §386.001(2)) not designated as nonattainment areas for the O3 National Ambient Air Quality Standards (NAAQS) as of September 1, 2020 <u>2023</u> and other areas at significant risk of being designated nonattainment for the O3 NAAQS in the future as approved by the Texas Commission on Environmental Quality (TCEQ). These activities may be carried out through interlocal agreements.</p> <p>Expenditure of these funds are limited to: inventorying emissions, monitoring of pollution levels, and administration of the program. The TCEQ shall allocate a base amount of \$281,250 to each state planning region containing such areas and the remaining funds proportionally to each state planning region with a combined population of affected counties in excess of 350,000. Grants issued from appropriations identified in this rider should require that no more than 10 percent of the allocation be used for administrative purposes and prohibit the expenditure of the following: marketing and outreach activities, bicycle use programs, carpooling awareness, environmental awareness campaigns, and locally enforceable pollution reduction programs. The grant recipients shall channel the funds to those projects most useful for the State Implementation Plan (SIP).</p> <p>For informational purposes, the affected counties that are not designated “nonattainment” for the O3 NAAQS as of September 1, 2020 <u>2023</u> include Bastrop, Caldwell, Comal, El Paso, Gregg, Guadalupe, Hardin, Harrison, Hays, Henderson, Hood, Hunt, Jefferson, Nueces, Orange, Rusk, San Patricio, Smith, Travis, Upshur, Williamson, and Wilson Counties. Additional “attainment/unclassifiable” areas may also be added by TCEQ to this grant program based on their status as being part of a core-based statistical area (CBSA) with O3 design values in excess of 60 parts per billion (ppb).</p> <p>Justification: The rider was revised to remove El Paso County from the affected counties list as El Paso County was designated as a nonattainment area for the 2015 ozone National Ambient Air Quality Standards (NAAQS).</p>
19	VI-23	<p>Texas Emissions Reduction Plan (TERP). Contingent upon the receipt of money deposited to the credit of the Texas Emissions Reduction Plan Fund under Health and Safety Code Section 386.056, Tax Code Sections 151.0515 and 152.0215 and Transportation Code Sections 501.138, 502.358, and 548.5055 by the Texas Commission on Environmental Quality (TCEQ), TCEQ may temporarily utilize General Revenue-Dedicated Texas Emissions Reduction Plan No. 5071 funds in an amount not to exceed \$1.4 <u>\$2.5</u> million in fiscal year 2022 <u>2024</u> which are included in amounts appropriated above. These funds shall be utilized only for the purpose of temporary cash flow needs when expenditures for operation and maintenance of the Texas Emissions Reduction Plan exceed monthly collections received. The transfer and reimbursement of funds shall be made under procedures established by the Comptroller of Public Accounts to ensure all borrowed funds are reimbursed by TCEQ on or before August 31 of each fiscal year and deposited before September 30 of the following fiscal year.</p> <p>Justification: The rider was revised to increase the amount that TCEQ may temporarily utilize from TERP Account No. 5071 from \$1.4 million to \$2.5 million in the event the TERP Fund has cash flow difficulties as it reverts to a zero balance in the first year of each biennium. The increase in temporary funding utilized is needed due to increased administrative costs associated with supporting the increase in programmatic funding made accessible to the TERP program with the passage of HB 3745 in the 86th Legislative Regular Session.</p>

**Legislative Appropriations Request
Fiscal Years 2024-2025**

Rider Revisions and Additions Request

Rider Number	Page Number in 2022-2023 GAA	87th Proposed Riders Revisions and Additions
27	VI-24	<p>Expedited Processing of Permit Applications.</p> <p>(a) Included in amounts appropriated above out of the Clean Air Account No. 151 in Strategy A.2.1, Air Quality Permitting, is \$2,250,000<u>\$2,550,000</u> for the biennium from surcharges assessed in accordance with Health and Safety Code, §382.05155 for the expedited processing of air permit applications 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 (TCEQ) 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>In addition to the amounts appropriated above out of the Clean Air Account No. 151 in Strategy A.2.1, Air Quality Permitting, the TCEQ is appropriated all fee revenues collected and deposited to the account from expedited permit review surcharges assessed in accordance with Health and Safety Code, §382.05155 (estimated to be \$0) in excess of the Comptroller's Biennial Revenue Estimate. These funds are provided for costs incurred to support the expedited permitting process. Any unexpended balances remaining in these appropriations on August 31, 2022<u>2024</u>, in this appropriation are appropriated for the same purposes for the fiscal year beginning on September 1, 2022<u>2024</u>.</p> <p>(b) TCEQ shall provide a report detailing fee revenues collected and deposited to Clean Air Account No. 151 from expedited permit review surcharges assessed in accordance with Health and Safety Code §382.05155 for each respective fiscal year to the Comptroller of Public Accounts and the Legislative Budget Board no later than the end of the second business week in March and June (for the second and third quarters) and no later than 14 business days after the end of the fourth quarter.</p> <p>Justification: The rider was updated to reflect the amount of funds in the baseline.</p>
28	VI-25	<p>Donna Reservoir and Canal System Federal Superfund Site. Out of amounts appropriated above, the Texas Commission on Environmental Quality is appropriated \$2,000,000 in fiscal year 2022<u>2024</u> in General Revenue-Dedicated Hazardous and Solid Waste Remediation Fee Account No. 550 in Strategy D.1.2, Hazardous Materials Cleanup, for remediation of the Donna Reservoir and Canal System Federal Superfund Site.</p> <p>Justification: The rider is requested to be deleted as this is a one-time expense.</p>
30	VI-25	<p>Contingency for HB 2708. In addition to the amounts appropriated above and contingent on enactment of House Bill 2708, or similar legislation, relating to the use of certain fees deposited to the hazardous and solid waste remediation fee account for environmental remediation at a closed battery recycling facility site located in a municipality, by the Eighty-seventh Legislature, Regular Session, the Texas Commission on Environmental Quality is appropriated \$3,000,000 in General Revenue-Dedicated Hazardous and Solid Waste Remediation Fee Account No. 550 funding in Strategy D.1.2, Hazardous Materials Cleanup, in fiscal year 2022 to implement the provisions of the legislation. Any unexpended and unobligated balances remaining as of August 31, 2021 are appropriated in fiscal year 2023 to the Texas Commission on Environmental Quality for the same purpose.</p> <p>Justification: The rider is requested to be deleted as it has been implemented and is a one-time expense.</p>

**Legislative Appropriations Request
Fiscal Years 2024-2025**

Rider Revisions and Additions Request

Rider Number	Page Number in 2022-2023 GAA	87th Proposed Riders Revisions and Additions
31	VI-25	<p>Air Monitoring Staff. It is the intent of the Legislature that out of amounts appropriated above in Strategy A.1.1, Air Quality Assessment and Planning, \$250,000 each fiscal year in General Revenue-Dedicated Clean Air Account No. 151 shall be used to fund 4.0 FTEs included in the number of Full-Time Equivalents above to operate the agency's mobile air monitoring units in coastal regions.</p> <p>Justification: The rider is requested to be deleted as it has been implemented and the funding is within the baseline.</p>
New	N/A	<p><u>Environmental Radiation and Perpetual Care Financial Assurance</u> <u>The Texas Commission on Environmental Quality (TCEQ) is appropriated the proceeds and balances of securities and interest earned, deposited to the credit of the General Revenue-Dedicated Environmental Radiation & Perpetual Care Account No. 5158 pursuant to Health and Safety Code, §§401.306 (b). Amounts shall be used in Strategy A.3.1, Radioactive Materials Management for the decontamination, decommissioning, stabilization, reclamation, maintenance, surveillance, control, storage, and disposal of radioactive substances for the protection of the public health and safety and the environment as a result of abandonment of radioactive substances, default on a lawful obligation, insolvency, or other inability by the holder of a license issued by the commission to meet the requirements of Health and Safety Code, §§401 Radioactive Materials and Other Sources of Radiation or of commission rules.</u></p> <p><u>Any unobligated and unexpended balances as of August 31, 2023, remaining in the Environmental Radiation and Perpetual Care Account No. 5158 which were received from security deposits per Health and Safety Code, §§401.306 (b) are appropriated to the TCEQ for the biennium beginning September 1, 2023. The funds shall be used to pay the cost of decontamination, decommissioning, stabilization, reclamation, maintenance, surveillance, control, storage, and disposal of radioactive substances during the biennium.</u></p> <p>Justification: This rider addresses appropriation constraints. If financial assurance is received at the end of a biennium, this rider would provide authority to carry those funds forward to support long term costs of decontamination, decommissioning, stabilization, reclamation, maintenance, surveillance, control, storage, and disposal of radioactive substances.</p>
New	N/A	<p><u>Capital Budget Expenditures. Notwithstanding the limitations placed on the expenditure of funds for capital budget items contained in this Act, the Texas Commission on Environmental Quality is authorized to expend, out of the amounts appropriated above, salary savings generated from vacancies for the acquisition of capital budget items. The TCEQ shall notify the Legislative Budget Board and the Governor of items to be purchased.</u></p> <p>Justification: This rider would allow the agency to support one-time costs relating to facility improvements, transportation items, and equipment.</p>