Texas Commission on Environmental Quality

Summary of the Recommended 2026-2027
Legislative Appropriations Request

Exceptional Items Request

September 25, 2024

Legislative Appropriations Request
Fiscal Years 2026/2027

Summary of Exceptional Items Request

Priority		FY 2026		FY 2027		Biennial Request
		Request	FTEs	Request	FTEs	
1	Enhance Permitting, Compliance and Public Engagement	15,138,884	115.0	12,673,626	115.0	27,812,510
2	Salary Increase and Retention Efforts	19,750,792	0.0	19,750,792	0.0	39,501,584
3	Administrative Support	2,064,169	12.0	1,953,799	12.0	4,017,968
4	Cybersecurity and Modernization	9,460,994	16.0	8,253,350	16.0	17,714,344
5	Data Center Services	12,186,148	0.0	12,186,148	0.0	24,372,296
6	RESTORE the Texas Coast	881,910	10.0	831,910	10.0	1,713,820
Total Exceptional Items Request		**59,482,897**	**153.0**	**55,649,625**	**153.0**	**115,132,522**

Legislative Appropriations Request
Fiscal Years
2026/2027

Summary of Exceptional Items Request

Priority		Description/Justification	FY 2026		FY 2027		Biennial Request
			Request	FTEs	Request	FTEs	
1	Enhance Permitting, Compliance and Public Engagement	TCEQ requests additional resources to ensure the agency can continue meeting the demands of the state's growth while responding to the ever-expanding federal requirements. Throughout the last several years, the agency has observed a continual rise in the number of regulated entities, the public's interest and engagement, and the expansion of programs. Additionally, the support TCEQ provides to regulated entities, such as governmental bodies, after events such as floods, wildfires, and severe storms, compound the increasing workload for agency investigators and program staff. In 2011, TCEQ underwent an 8% staff reduction (235 FTEs) due to economic constraints. Since that time, 13-years to be exact, staffing has remained stagnant while the population of Texas has grown by approximately five million people and its GDP has grown by 33%. Although TCEQ strives to serve the state and its residents in a timely, protective, and efficient manner, with its top priority being customer service, the agency is concerned that some functions may begin to suffer due to the constraints under which it is currently operating. The number of permit applications received has steadily increased. For example, water quality permit applications grew by 60%, from 50 per month in FY 2022 to 80 per month in FY 2024. And Underground Injection Control applications grew by 80%, from 26 in FY 2021 to 47 in FY 2023. TCEQ is also hosting more public meetings, responding to more complex comments, receiving more requests for contested case hearings, and providing additional translation services to meet the demands of the public, while striving to increase transparency. In addition to these efforts, EPA has promulgated a revised PM2.5 standard that will result in additional nonattainment areas, continued to uphold duplicative requirements for multiple ozone standards, and added new requirements for methane. These federal changes will require new or revised state implementation plans, additional data analysis, control strategy plans, and the revision or modification of permits in accordance with the new regulations. Drinking water programs are also experiencing changes due to federal regulations, resulting in the need for more complex reviews and requiring expertise for compliance activities and assistance to public water systems. Without additional resources, it will be difficult for TCEQ to meet the increasing demands placed on the agency, including emerging technologies, and maintain state primacy for many of its programs. Every effort has been made to streamline processes and create efficiencies to maximize current resources. If TCEQ does not have sufficient resources and FTE's, permit timeframes will lag and TCEQ's ability to timely respond to the needs of regulated entities and the public will be hindered.	15,138,884	115.0	12,673,626	115.0	27,812,510

#	Item	Description					
2	Salary Increase and Retention Efforts	TCEQ continues to face staffing challenges with over 30% of its workforce having less than two years of experience and 50% of its workforce having less than five years of experience. Only 9.5% of the agency's workforce consists of mid-career staff with 10 to 14 years of experience following successive years of unsustainable high turnover majorly due to lagging salaries. Moreover, in this biennium, almost 30% of the staff will be eligible for retirement. TCEQ needs the ability to pay a salary to retain employees that reflects the education and expertise required for the work the agency is tasked with performing. This request continues the agency's effort from last session to pay its employees the midpoint of the state salary classifications - the market rate as per the State Auditor's Office. Using that metric, only 16% of TCEQ employees are paid competitive salaries. This request also includes funding to retain staff so they may develop into subject matter experts and have the capacity to meet the growing demand of agency services.	19,750,792	0.0	19,750,792	0.0	39,501,584
3	Administrative Support	The increasing demands on TCEQ and complexities of agency programs have impacted the administrative functions that are a necessity for the agency, such as financial, information technology, human resources and staff services. This request includes funding for additional staff to meet this growing demand and reduce staff turnover and departures to other state agencies.	2,064,169	12.0	1,953,799	12.0	4,017,968
4	Cybersecurity and Modernization	In order for TCEQ to respond to the needs of a quickly growing state, the agency must be equipped with cybersecurity functions that (1) protect the data housed within numerous agency systems and (2) detect and respond expeditiously to potential or real cybersecurity attacks. Pursuant to federal and state statutes and regulations, TCEQ receives and stores highly sensitive information, such as the location and quantity of highly hazardous chemicals, personal identifiable information (such as birthdays, social security numbers, and driver license numbers), and detailed information for every drinking water system in the state. If there was a breach of agency systems, the entire agency could be rendered unable to perform required business functions and provide services. Additionally, all agency information and data would be suspect until the breach was fully investigated, and the root cause identified. Without necessary and critical cybersecurity updates, this type of investigation will likely take weeks to recover and restore operations. In addition, the request includes modernization of the Title V Air and the Water District Database software applications.	9,460,994	16.0	8,253,350	16.0	17,714,344
5	Data Center Services	As required by statute, TCEQ participates in the consolidated statewide data centers through an interagency contract with the Department of Information Resources. The contract supports infrastructure technology equipment, software licensing, and services needed to host agency applications and databases. TCEQ servers, databases, applications, and websites reside in the state data centers and are funded through this budget. Related costs are included to comply with security and supportability standards enforced by DIR and the DCS program. TCEQ also leverages the shared technology services for application development and maintenance. Based on planned services, TCEQ and DIR estimate an increase in the costs. The request will support the continued services provided by DIR's DCS contract.	12,186,148	0.0	12,186,148	0.0	24,372,296
6	RESTORE the Texas Coast	Currently, Texas has more than $190 million in untapped RESTORE funds, with more money becoming available each year. TCEQ's RESTORE program does not have the capacity to keep pace with available funding and implement projects in a timely manner. The lack of sufficient staff impacts the daily demands of developing, executing, and monitoring current projects. As a result, programs selected for grants must wait until resources become available. In the meantime, costs increase, requiring either additional funding or a reduction in scope. This request would allow TCEQ to provide sufficient staffing for the program.	881,910	10.0	831,910	10.0	1,713,820
Total Exceptional Items Request			**59,482,897**	**153.0**	**55,649,625**	**153.0**	**115,132,522**