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AGENDA ITEM MEMO

BOARD MEETING DATE: August 27, 2024

TO: Board Members

THROUGH: Bryan McMath, Interim Executive Administrator
Ashley Harden, General Counsel

FROM: Rebecca Trevino, Chief Financial Officer
Perry Ball, Budget Director

SUBJECT: Legislative Appropriations Request Fiscal Year 2026-2027

ACTION REQUESTED

Consideration and approval of the Agency Fiscal Year (FY) 2026-2027 Legislative Appropriations Request (LAR).

BACKGROUND

The LAR presents the financial needs of the Texas Water Development Board (TWDB), as recommended by staff. For the FY 2026-2027 biennium, guidance and instructions were provided by the Legislative Budget Board (LBB) staff and the Office of the Governor, Budget Division.

The due date to submit the LAR in the LBB's Automated Budget and Evaluation System of Texas (ABEST) is August 30, 2024.

KEY ISSUES

The LAR was prepared according to the LBB instructions. The LAR is entered in ABEST and will be uploaded to the LBB and TWDB websites.

RECOMMENDATION

The Executive Administrator recommends final approval of the FY 2026-2027 LAR.

Attachment(s):

1. Summary of the FY 2026-2027 Recommended LAR

Our Mission

Leading the state's efforts
in ensuring a secure
water future for Texas

Board Members

Brooke T. Paup, Chairwoman | L'Oreal Stepney, P.E., Board Member
Bryan McMath, Interim Executive Administrator

Summary of 2026-27 Legislative Appropriations Request (LAR)

Presented by
Perry Ball, Budget Director
August 27, 2024

2026-27 LAR

Summary by Strategy				
	2024-25 Base	2026-27 Base	2026-27 EIRs	2026-27 Base + EIRs
<i>Water Resources Science and Data</i>				
Environmental Impact Information	\$2,048,494	\$2,117,294	\$0	\$2,117,294
Water Resources Data	\$8,346,798	\$8,066,270	\$3,818,629	\$11,884,899
Automated Information Collection	\$11,994,196	\$16,961,914	\$0	\$16,961,914
Technical Assistance & Modeling	\$5,431,082	\$5,732,212	\$893,660	\$6,625,872
Innovative Water Technologies	\$6,772,158	\$7,482,504	\$0	\$7,482,504
Water Conservation Education & Assistance	\$4,855,252	\$4,955,208	\$15,000,000	\$19,955,208
State and Federal Flood Programs	\$146,357,501	\$115,409,506	\$0	\$115,409,506
<i>Planning</i>				
Statewide Water Planning	\$14,014,500	\$13,769,254	\$554,600	\$14,323,854
Statewide Flood Planning	\$98,951,650	\$54,592,916	\$0	\$54,592,916
<i>Financial Assistance</i>				
State and Federal Financial Assistance	\$550,372,027	\$36,781,841	\$3,637,000	\$40,418,841
Economically Distressed Areas	\$840,910	\$917,256	\$800,000	\$1,717,256
<i>Debt Service</i>				
EDAP Debt Service	\$72,019,771	\$72,835,903	\$0	\$72,835,903
WIF Debt Service	\$121,337,211	\$0	\$0	\$0
<i>Administration</i>				
Central Administration	\$14,528,110	\$15,443,986	\$2,790,600	\$18,234,586
Information Resources	\$16,951,056	\$20,687,637	\$576,000	\$21,263,637
Other Support Services	\$2,344,683	\$1,387,678	\$6,033,254	\$7,420,932
Total	\$1,077,165,399	\$377,141,379	\$34,103,743	\$411,245,122

2026-27 LAR

Summary by Method of Finance

2024-25 Base

2026-27 Base

2026-27 EIRs

2026-27 Base + EIRs

General Revenue

General Revenue	\$212,578,861	\$181,970,788	\$26,029,543	\$208,000,331
General Revenue - Vehicles	\$300,000	\$0	\$0	\$0
General Revenue - One-Time Riders	\$106,900,000	\$0	\$0	\$0

Federal Revenue

Federal Revenue	\$134,961,524	\$97,128,616	\$4,844,520	\$101,973,136
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Other Revenue

Texas Infrastructure Resiliency Fund	\$107,700,262	\$79,037,836	\$0	\$79,037,836
Flood Infrastructure Flood	\$375,000,000	\$0	\$0	\$0
Rural Water Assistance Fund	\$3,188,845	\$2,964,000	\$0	\$2,964,000
Water Infrastructure Fund	\$121,337,211	\$0	\$0	\$0
Economically Distressed Areas Fund	\$9,595,365	\$10,846,131	\$0	\$10,846,131
Ag Fund	\$3,000,000	\$3,000,000	\$0	\$3,000,000
Water Assistance Fund	\$300,035	\$0	\$0	\$0
Appropriated Receipts	\$2,102,584	\$2,102,584	\$3,229,680	\$5,332,264
Interagency Collections	\$200,712	\$91,424	\$0	\$91,424

Total

\$1,077,165,399	\$377,141,379	\$34,103,743	\$411,245,122
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2026-27 LAR

Capital Budget Items				
	2024-25 Base	2026-27 Base	2026-27 EIRs	2026-27 Base + EIRs
Acquisition of Information Technology	\$616,480	\$616,480	\$0	\$616,480
Strategic Mapping Data Acquisition	\$4,000,000	\$14,000,000	\$0	\$14,000,000
Vehicles	\$300,000	\$0	\$0	\$0
Shared Technology Services	\$7,741,343	\$8,832,636	\$0	\$8,832,636
Total	\$12,657,823	\$23,449,116	\$0	\$23,449,116

2026-27 LAR

Prioritized Exceptional Items			
1	Increase to Agency FTE Limit and Associated Funding	Requests an increase to the agency's Full-Time-Equivalents (FTEs) count by 50 (from 482.5 to 532.5) and associated salaries, resulting from the passage of SB28 and the implementation of EPA Lead Service Lines and Emerging Contaminants programs. These positions would be funded with federal funds and/or appropriated receipts, not General Revenue.	\$8,074,200
2	Ag Water Conservation Fund	Requests a cash deposit of \$15 million to the Agricultural Water Conservation Fund to continue providing agricultural water conservation grants and loans to public entities over the next 10 years.	\$15,000,000
3	IT Risk Mitigation	Requests funding and staff resources to meet the evolving digital transformation demands of the agency and enhance risk mitigation efforts as well as contract resources to assist with all aspects of the Microsoft 2016 server migration and modernization/re-architecture of the applications environment.	\$2,676,054
4	EDAP Needs Assessment	Requests funding for a statewide needs assessment for the EDAP program. In order to evaluate the needs of economically distressed areas of the state, this study would identify funding needs and potential obstacles and pitfalls communities are facing providing adequate water and wastewater services to residents.	\$800,000
5	TWSBViewer Increased Functionality	Requests funding to repair and expand functionality of Texas Water Service Boundary Viewer application (TWSBV) to provide publicly-facing cradle to grave information on projects funded, including a data tool for financial assistance applicants and a support to the future statewide water awareness campaign.	\$200,000
6	Groundwater Data Collection and Analysis	Funding will support maintenance and growth of the Recorder Well and Springs Monitoring programs and provide additional funding to address the rising costs of water quality analyses in the Water Quality and Springs Monitoring programs.	\$745,121

2026-27 LAR

Prioritized Exceptional Items			
7	Surface Water Data Collection and Analysis	Requests funding to improve the quality and ensure the availability of key surface water datasets, specifically evaporation, volumetric reservoir storage capacity, sedimentation rates for water supply reservoirs, and measurements of stream flows at key locations throughout the state. Each of these datasets is critical to informing decisions impacting surface water rights permitting, adaptive management of environmental flow standards, regional water supply and flood mitigation planning, and financial assistance for water supply and flood infrastructure projects.	\$1,612,368
8	TexMesonet Coverage	Requests funding to better prepare the state to detect, forecast, and monitor weather conditions that affect water resources management, public safety, agricultural efforts, and the economy. Specifically, this request will enable the TWDB to achieve statewide coverage of hydrometeorological (weather) stations as soon as 2030 via two mechanisms: (1) through installation and maintenance of an additional 55 TWDB stations, and (2) through cooperative agreements with regional weather station networks to provide high quality meteorological data. This request will also provide support for a statewide evapotranspiration dataset, which is vital for improving water conservation yet currently unavailable throughout much of the state.	\$1,880,000
9	MatLab Facilities Expansion for TWDB Field Data Collection Programs	Requests funding to expand the Materials Lab to 12,500 sf for Field Data Collection Programs.	\$576,000
10	Agency Digitization Initiative	Requests funding to complete the Agency Digitization Initiative to finish out digitization of physical records at the Centennial Towers location or store physical records at TSLAC.	\$2,540,000
Total EIRs			\$34,103,743

2026-27 LAR

Summary of Rider Revisions

1	Performance Measure - Targets	Targets being updated by program staff responsible for reporting measures
2	Capital Budget	Capital budgets include: (1) information technology equipment purchases, (2) strategic mapping data acquisition, (3) DIR's Shared Technology Services. Amounts to be revised once base budget is set.
3	Informational Rider - Estimated Outstanding Debt and Debt Service Requirements for Self-Supporting Bonds	Update fiscal years and amounts
4	Authorized Transfers and Appropriations: Water Assistance Fund	Update fiscal years and remove references to WAF balances
5	Safe Drinking Water Act State Revolving Fund	Update fiscal years
6	Appropriation: Water Resources Fund	No change
7	Appropriation: Agricultural Water Conservation Fund	Update fiscal years and propose GR transfer to Ag Program
8	Fee Appropriation: State Revolving Fund	Update fiscal years
9	Rural Water Assistance Fund	Update fiscal years
10	Reporting of Texas Water Resources Finance Authority (TWRFA) Funds	Delete rider
11	Appropriation: Cost Recovery for State Participation Program	Update fiscal years
12	Capital Budget Expenditures: Federal Funds and Appropriated Receipts Exemption	No change
13	Nuisance Surveys for Economically Distressed Areas Program	Update fiscal years

2026-27 LAR

Summary of Rider Revisions		
14	Appropriation and Payment of Debt Service	Update fiscal years
15	Unexpended Balances Within the Biennium	Update fiscal years
16	Reimbursement of Advisory Committees.	No change
17	Payment of Debt Service: Economically Distressed Areas Program	Update fiscal years and general revenue fund amounts
18	Bond Issuance Authority by Program	No change
19	Bond Issuance and Payment of Debt Service	No change
20	Regional Drainage and Water Assistance	Update fiscal years
21	Flood Funding	Update fiscal years and amounts
22	Unexpended Balances: Strategic Mapping	Update fiscal years
23	Reporting on Agency Funds	No change
24	Flood Mitigation Assistance	Delete rider
25	Water Treatment Facility Assistance	Delete rider
26	Agriculture Water Conservation Project Admin	Delete rider
27	Rural Project Funding	Delete rider
28	Reservoir Project Feasibility Review	Delete rider