



P.O. Box 13231, 1700 N. Congress Ave.
Austin, TX 78711-3231, www.twdb.texas.gov
Phone (512) 463-7847, Fax (512) 475-2053

AGENDA ITEM MEMO

BOARD MEETING DATE: December 17, 2024

TO: Board Members

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

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

SUBJECT: Legislative Appropriations Request Fiscal Year 2026-2027 Revisions

ACTION REQUESTED

Consider approving revisions to 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. Board action was taken to approve the TWDB's LAR on August 27, 2024. The LAR was subsequently submitted in the LBB's Automated Budget and Evaluation System of Texas (ABEST) and uploaded to the TWDB website. Since that time, the LBB has engaged in review of the LAR and provided opportunities to revise information previously submitted.

KEY ISSUES

In response to the review and commentary provided by the LBB and subsequent discussions, the following revisions and additions to the LAR are recommended:

1. As part of the supplemental appropriation process, request \$144,667,600 for Capitalization Grant matching fund requirements of the State Revolving Funds.
2. As part of the supplemental appropriation process, request \$442,000 for vehicle purchases.
3. As part of the supplemental appropriation process, request that unexpended and unobligated funds in the Texas Infrastructure Resiliency Fund (TIRF) Hurricane Harvey account be appropriated in FY26.

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 | Tonya R. Miller, Board Member
Bryan McMath, Executive Administrator

4. Modify the existing “Full Time Equivalent (FTE) Increase” Exceptional Item Request (EIR) to change the Method of Financing from Federal Funds and Appropriated Receipts to General Revenue and Federal Funds.
5. Modify the existing “Agricultural Water Conservation Fund” EIR to reflect annual grant funding of up to \$3.0 million per Fiscal Year, three FTEs, and associated contracting expenses in lieu of the original request for a \$15 million one-time infusion into the program. The total request is for General Revenue of approximately \$6.8 million.
6. Remove the “Texas Water Service Boundary Viewer Application” EIR.
7. Add an EIR for Targeted Salary Adjustments in the amount of \$7,259,466 to be funded with General Revenue and Federal Funds.
8. Add an EIR to modify the Board Member group classification without additional funding.
9. Modify Rider 21 to add the TIRF Hurricane Harvey sub-account.
10. Incidental to approval of the requests above, additional revisions that are non-substantive in nature may also be made to supplemental requests, rider language, and other areas of the LAR.

RECOMMENDATION

The Executive Administrator recommends revisions to the previously approved FY 2026-2027 LAR.