



MAY 2019

# FISCAL NOTES

“FUTURE-PROOFING” TEXAS  
AGAINST NATURAL DISASTER

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STATE REVENUE WATCH

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## Emergency Management in Texas

By Spencer Grubbs

### HOW THE STATE PREPARES FOR THE WORST

Some of Texas’ greatest strengths spring from its sheer size and geographic diversity. But while these assets contribute to our thriving economy and create many opportunities, they sometimes increase our chances for natural disasters and other emergencies.

Texas ranks high among U.S. states in its number and variety of natural disasters, ranging from flooding to drought and from wildfires to ice storms. According to the Federal Emergency Management Agency (FEMA), Texans have experienced 263 federally declared disasters since 1953 (**Exhibit 1**).

Local governments, particularly those in sparsely populated rural counties, sometimes require assistance with emergency situations due to a lack of the equipment and staffing needed to launch an effective response. The Texas Division of Emergency Management (TDEM), a division of the Texas Department of Public Safety (DPS), is charged with coordinating state and local responses to natural disasters and other emergencies in Texas. It’s not an easy job.

“With more than 1,300 jurisdictions, 254 counties, an international border and a long coastline, Texas is constantly faced with unique problems you don’t find

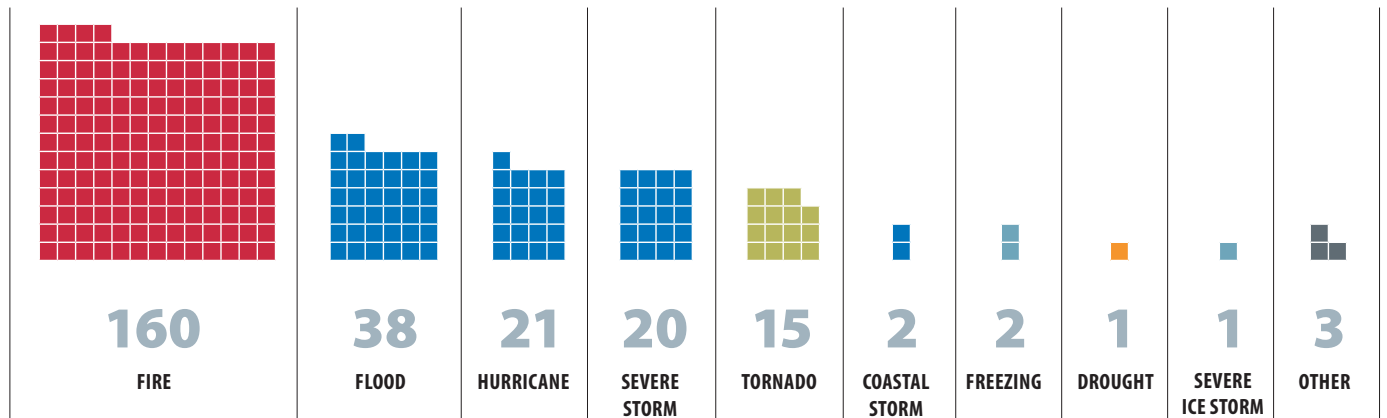
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Photo courtesy of Texas Task Force 1.

EXHIBIT 1

### FEDERAL DISASTER DECLARATIONS IN TEXAS, 1953-2018



Source: Federal Emergency Management Agency

# A Message from the Comptroller

It's hard to believe, but in just a few months it'll be the second anniversary of Hurricane Harvey's devastation of the Texas Gulf Coast. Of course, while that was the most dramatic disaster to hit our state in several years, it isn't the most recent — the severe storms and flooding of fall 2018 are even fresher in our minds.



The fact is, Texas has always been prone to natural disasters — to storms, wildfires, flooding and more — as well as the occasional human-caused event such as the 2013 West fertilizer plant explosion. Texas has seen an average of four federally declared disasters each year since 1953. But we've learned a lot about how to cope with disaster, and we're always learning more.

In this issue of *Fiscal Notes*, we examine Texas' emergency management system, a complex web of organizations both state and local, public and private, which work together to mount our initial responses to disaster. From emergency rescuers in the field to the State Operations Center, maintained in a Cold War-era bunker in Austin, thousands of Texans work together to ensure the safety of Texas lives and property. Led by the Texas Division of Emergency Management, part of the Department of Public Safety, it's a system that's been called a model for other states.

We also take a look at the work of the Governor's Commission to Rebuild Texas, a group assembled while Harvey's remnants still lingered over our state. The commission was asked to develop ways to improve Texas' emergency response and recovery mechanisms. Its November 2018 *Eye of the Storm* report provided a series of detailed recommendations for improving our state's ability to survive and thrive in the wake of disaster. We examine these proposals as well as Harvey-related legislation introduced in the 2019 legislative session.

As always, I hope you enjoy this issue!

**GLENN HEGAR**

Texas Comptroller of Public Accounts

## REGIONAL SNAPSHOT

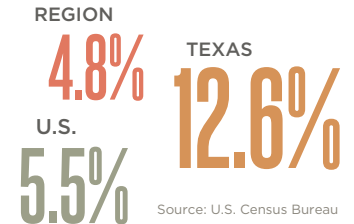


**UPPER RIO GRANDE REGION**

### POPULATION GROWTH

The Upper Rio Grande Region's estimated total population in 2017 was about 866,000, or more than 3 percent of the state's total population. This is an increase of about 5 percent (almost 40,000 people) since the 2010 census.

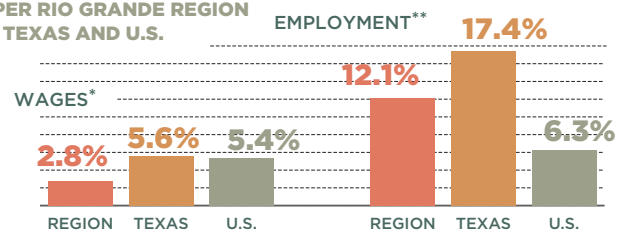
**UPPER RIO GRANDE REGION VS. TEXAS AND U.S., 2010-2017**



### JOBS & WAGE CHANGES, 2007-2017

In 2017, the Upper Rio Grande Region accounted for about 2.6 percent of the state's total employment.

**UPPER RIO GRANDE REGION VS. TEXAS AND U.S.**



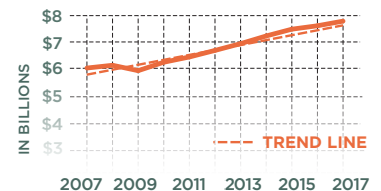
\* Real rate of change

\*\* Figures include private and public-sector employees with the exception of active-duty military personnel, railroad employees, religious institution employees and the self-employed. Sources: JobsEQ and U.S. Bureau of Labor Statistics

### ECONOMY

Sales receipts subject to state sales tax directly attributed to the Upper Rio Grande Region trended upward in the past decade, with consistently positive movement since the 2009 recession.

**REGIONAL RECEIPTS SUBJECT TO SALES TAX, 2007-2017**



### CONCLUSION

The six counties of the Upper Rio Grande Region are predominantly rural, with a strong urban core and a steady, consistent economy. El Paso County is home to 97 percent of the region's population. About 58 percent of its households have annual incomes of less than \$50,000. While the region's most highly concentrated industries primarily revolve around manufacturing and public safety, the U.S. military base at Fort Bliss plays a key role in keeping its economy robust.

**THE UPPER RIO GRANDE REGION IS ONE OF THE COMPTROLLER'S 12 ECONOMIC REGIONS.**

To see a complete list of these regions, plus more in-depth county-by-county data, visit: [comptroller.texas.gov/economy/economic-data/regions/](http://comptroller.texas.gov/economy/economic-data/regions/)

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## The Texas Government Code requires the Texas Division of Emergency Management to prepare and keep current a comprehensive state emergency management plan.

anywhere else,” says Kevin Lemon, a TDEM technical operations specialist. “Therefore, we have to have unique solutions.”

### EMERGENCY MANAGEMENT

Emergency management is the practice of formulating procedures with which communities and states can minimize the risk of hazards and disasters and cope with them more effectively.

Local governments, naturally, become the first lines of defense during a disaster. Mayors, county commissioners, municipal police and sheriff’s departments must alert citizens of imminent threats and take any actions within their means to ensure public order and safety.

For disasters exceeding their abilities and resources, however, a state may step in to provide logistical and financial assistance. In cases in which local and state resources prove inadequate, the state may request assistance from other states through the Emergency Management Assistance Compact, or from the federal government.

In Texas, responsibility for emergency management lay solely with local jurisdictions until the Legislature enacted the Texas Civil Protection Act of 1951, the first law creating a state emergency management organization and statewide emergency management plan. The legislation established a Disaster Relief Council chaired by the governor and comprising various agency heads, each responsible for particular emergency management functions.

The 1951 act was replaced with the Texas Disaster Act of 1975, which further increased the state-local coordination of emergency responsibilities. By 2009, after several phases of reorganization, the Disaster Relief Council had become the Texas Division of Emergency Management within DPS.

According to DPS, “TDEM is charged with carrying out a comprehensive all-hazard emergency management program for the state and for assisting cities, counties and state agencies in planning and implementing their emergency management programs.” Specifically, the Texas Government Code requires TDEM to prepare and keep current a comprehensive state emergency management plan — the basic planning document for emergency management at the state level — and assist in the development and revision of local emergency management plans.

Another part of its mission concerns funding for emergency services; TDEM currently administers more than 50 grant programs for local governments.

### TEXAS EMERGENCY MANAGEMENT COUNCIL

The Texas Emergency Management Council (EMC) includes 39 state agencies and nonprofit emergency assistance organizations (**Exhibit 2**). State law established the council to advise and assist the governor in all matters related to disaster mitigation, emergency preparedness, disaster response and recovery.

The State Emergency Management Plan assigns 22 emergency support functions to the EMC member organizations, which identify, mobilize and deploy resources to respond to emergencies and disasters (**Exhibit 3**). The type and extent of a hazard or disaster determines which EMC agencies will respond.

CONTINUED ON PAGE 5

## EMERGENCY MANAGEMENT ASSISTANCE COMPACT

The Emergency Management Assistance Compact (EMAC) is a mutual aid system, first authorized by Congress in 1996, which allows states to request personnel, equipment and supplies from other states to assist with response and recovery efforts. Resources deployed through EMAC, in turn, can draw down federal reimbursement dollars. Within a week after Hurricane Harvey struck Texas, 21 states had sent emergency teams and equipment coordinated through EMAC; ultimately, 36 states assisted.

# Emergency Management in Texas

## EXHIBIT 2

### ORGANIZATIONS REPRESENTED ON THE TEXAS EMERGENCY MANAGEMENT COUNCIL

- American Red Cross
- Texas Department of Information Resources
- Texas General Land Office
- Texas State Auditor's Office
- Texas Comptroller of Public Accounts
- Texas Animal Health Commission
- Texas Office of the Attorney General
- Texas Commission on Environmental Quality
- Texas Commission on Fire Protection
- Texas Department of Agriculture
- Texas Department of Criminal Justice
- Texas Department of Family Protective Services
- Texas Department of Housing and Community Affairs
- Texas Department of Insurance
- Texas Department of Public Safety
- Texas Department of State Health Services
- Texas Department of Transportation
- Texas Division of Emergency Management
- Texas Education Agency
- Texas A&M Engineering Extension Service
- Texas A&M Forest Service
- Texas Health and Human Services Commission
- Texas Military Department
- Texas Parks and Wildlife Department
- Public Utility Commission of Texas
- Railroad Commission of Texas
- Texas Workforce Commission
- The Salvation Army
- Texas A&M AgriLife Extension Service
- Texas A&M University System
- Texas Department of Licensing and Regulation
- Texas Department of Motor Vehicles
- Texas Facilities Commission
- Texas State University System
- Texas Tech University System
- Texas Voluntary Organizations Active in Disaster
- University of Houston System
- University of North Texas System
- University of Texas System

Source: Texas Division of Emergency Management

## EXHIBIT 3

### EMERGENCY SUPPORT FUNCTION ASSIGNMENTS

FUNCTION	PRIMARY STATE AGENCY
WARNING	TEXAS DIVISION OF EMERGENCY MANAGEMENT
COMMUNICATIONS	COMMUNICATIONS COORDINATION GROUP
MASS CARE	TEXAS DIVISION OF EMERGENCY MANAGEMENT
RADIOLOGICAL EMERGENCY MANAGEMENT	TEXAS DEPARTMENT OF STATE HEALTH SERVICES
EVACUATION	TEXAS DEPARTMENT OF PUBLIC SAFETY
FIREFIGHTING	TEXAS A&M FOREST SERVICE
LAW ENFORCEMENT	TEXAS DEPARTMENT OF PUBLIC SAFETY
PUBLIC HEALTH AND MEDICAL SERVICES	TEXAS DEPARTMENT OF STATE HEALTH SERVICES
PUBLIC INFORMATION	TEXAS DEPARTMENT OF PUBLIC SAFETY
RECOVERY	TEXAS DIVISION OF EMERGENCY MANAGEMENT
PUBLIC WORKS AND ENGINEERING	TEXAS DEPARTMENT OF TRANSPORTATION
ENERGY	PUBLIC UTILITY COMMISSION OF TEXAS
RESOURCE SUPPORT	TEXAS DIVISION OF EMERGENCY MANAGEMENT
DIRECTION AND CONTROL	TEXAS DIVISION OF EMERGENCY MANAGEMENT AND TEXAS DEPARTMENT OF PUBLIC SAFETY
ANIMALS, AGRICULTURE AND FOOD & FEED SAFETY	TEXAS ANIMAL HEALTH COMMISSION; TEXAS DEPARTMENT OF AGRICULTURE; TEXAS DEPARTMENT OF STATE HEALTH SERVICES
HAZARD MITIGATION	TEXAS DIVISION OF EMERGENCY MANAGEMENT
HAZARDOUS MATERIALS AND OIL SPILL RESPONSE	TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
SEARCH AND RESCUE	TEXAS ENGINEERING EXTENSION SERVICE
TRANSPORTATION	TEXAS DEPARTMENT OF PUBLIC SAFETY
TERRORISM INCIDENT RESPONSE	TEXAS DEPARTMENT OF PUBLIC SAFETY
FOOD AND WATER	TEXAS HEALTH AND HUMAN SERVICES COMMISSION
MILITARY SUPPORT	TEXAS MILITARY DEPARTMENT

Source: State of Texas Emergency Management Plan



**DISASTER DISTRICTS**

Initial state emergency assistance for local governments is provided through one of 24 Texas disaster districts, which manage state operations within their designated areas. Each district is led by a disaster district committee (DDC) and a committee chair. DDCs include local representatives of state agencies, boards, commissions and volunteer groups represented on the EMC. Each DDC provides guidance and administrative support for disaster response.

The chair of each DDC is the district’s commanding Highway Patrol officer. The chair also serves as liaison between the State Operations Center (SOC; see below) and local officials during disasters. In addition, a coordinator assigned to each district is responsible for conducting emergency preparedness activities and coordinating emergency operations within the district.

**STATE OPERATIONS CENTER**

In 1964, the SOC was established at DPS headquarters in Austin to serve as the state’s disaster monitoring center. Its primary responsibilities include:

- continuously monitoring threats through communications with local entities, news outlets and social media;

- providing notifications and information on emergency incidents to government officials;
- coordinating assistance requests from local governments through the DPS Disaster Districts; and
- allocating and coordinating state personnel and resources to local governments that can no longer respond adequately to an emergency incident.

The SOC maintains four levels of emergency response (**Exhibit 4**), categories used to notify and gradually increase the readiness of state and local emergency responders based on the degree and progression of specific incidents. The SOC operates 24 hours a day, 365 days a year, regardless of its emergency response level.

During normal conditions (Level IV), the SOC is staffed by a daily operations group that continually monitors various news media and information sources and informs TDEM of any incidents that could raise the emergency response level. When the SOC’s daily operations group alone can no longer manage the needs of local governments or state agencies during an incident —typically at Level II — more staff members are summoned, including those from the EMC.

“During a disaster, the SOC uses a wide range of resources from academia, private-sector companies and local entities,” Lemon says.

**EXHIBIT 4**

**SOC EMERGENCY RESPONSE LEVELS**

EMERGENCY RESPONSE LEVEL	DESCRIPTION	EXAMPLES	TYPICAL NOTIFICATION
<b>LEVEL IV - NORMAL CONDITIONS</b>	No significant hazard or disaster is present.	Ongoing weather and threat monitoring	TDEM staff; local entities (e.g., fire departments, law enforcement, public works)
<b>LEVEL III - INCREASED READINESS</b>	A significant hazard or disaster has not yet occurred, but a heightened level of readiness is warranted due to increased vulnerability to a particular incident.	Tropical weather system developing near Texas; widespread flash flooding; increased fire conditions	TDEM staff; local entities; DPS Disaster Districts; EMC representatives
<b>LEVEL II - ESCALATED RESPONSE CONDITIONS</b>	The incident scope has expanded beyond that which can be handled by local responders; normal state and local government operations may be impaired.	Major tornado impact; major fire conditions; hurricane warning	TDEM staff; local entities, DPS Disaster Districts; local elected officials; EMC representatives
<b>LEVEL I - EMERGENCY CONDITIONS</b>	The scope of the incident has expanded beyond the response capabilities of local agencies.	Major hurricane impact; large-scale evacuation; hazardous materials spill	Local entities; DPS Disaster Districts; local elected officials; EMC representatives

Source: Texas Department of Public Safety

# Emergency Management in Texas



## CUTTING RED TAPE: THE COMPTROLLER'S ROLE IN EMERGENCY RESPONSE

The Comptroller's Statewide Procurement Division (SPD) is the state's central authority on purchasing policy and professional purchasing training.

But SPD also plays a major role in procurement under emergency conditions. Should the Texas governor declare a state of disaster by executive order or proclamation, he or she may suspend the enforcement of certain laws and administrative rules regarding contracting and purchasing that could impede any agency's emergency response in a disaster. This allows SPD to work with agencies and vendors to get emergency supplies and equipment to first responders and Texans in need as quickly and efficiently as possible.

During Hurricane Harvey and its immediate recovery, members of SPD's Procurement Policy and Outreach team were stationed and available at the State Operations Center around the clock to facilitate any purchase requested by emergency responders and local governments. Additional SPD and Comptroller staff supported this team to approve purchasing requests immediately and as needed.

In a single weekend, for instance, SPD staff initiated purchases worth more than \$15 million for mobile fueling stations, evacuation buses, bottled water and ice, showering stations, portable toilets, heavy equipment for recovery efforts and other items for emergency shelters and rescue efforts.

SPD has worked with the Texas Division of Emergency Management to support recovery efforts during hurricanes in 2005, 2007, 2008 and 2017; the Bastrop fires in 2011; the West fertilizer plant explosion in 2013; and many other disasters. To show thanks for the division's efforts during Hurricane Harvey, TDEM provided each SPD staffer who assisted with a certificate of appreciation and a commemorative Hurricane Harvey coin.

### IN THE BUNKER

As Hurricane Harvey bore down on the Texas coast in August 2017, Gov. Greg Abbott commanded the state's emergency response efforts from an underground post beneath the DPS building in north Austin. Located three stories below ground level, the State Operations Center has been headquarters for state emergency response for nearly 60 years.

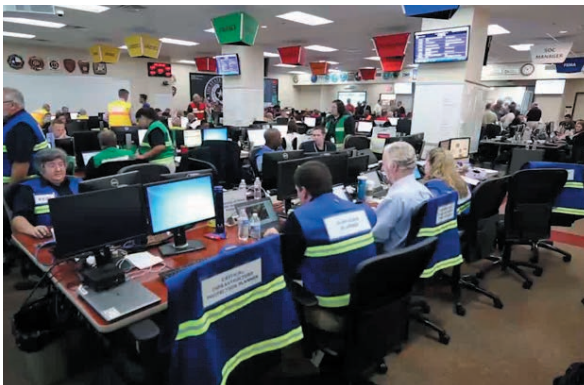
Construction of the SOC began in 1962. A reflection of Cold War tensions, the entire structure is contained within a shock-absorbing concrete room and buried

deep underground. Protected by large, steel blast doors, the structure, nicknamed "The Bunker," originally was designed to ensure the continuity of state government in the event of a nuclear attack.

While some vestiges of the SOC's mid-20th century origins can still be seen (a shower turned storage closet still has a "decontamination" sign over the door, for example), subsequent construction and renovations have turned the center into a modern facility with state-of-the-art technology, safety features and communications capabilities.

During major emergencies, the governor activates the members of the EMC, who assemble at the SOC where they join its daily operations staff and TDEM members to organize a coordinated response. The SOC monitors and manages about 3,000 to 4,000 emergency incidents per year.

It's no surprise that Texas frequently experiences emergencies of one kind or another, simply because of its size and variable climate. What's more noteworthy, however, is the state's ability to *respond* to a plethora of potentially life-threatening incidents. By integrating the efforts of dozens of organizations, both public and private, and managing the complex logistics from a centralized command post, Texas sets a national example for statewide emergency management. **FN**



The State Operations Center underground post beneath the DPS building in north Austin during Hurricane Harvey.  
Photo courtesy of Texas Division of Emergency Management (TDEM)

# “Future-Proofing” Texas Against Natural Disaster

Peggy Fikac



Photo courtesy of Texas Task Force 1.

## THE STATE PLANS FOR THE NEXT STORM

After Hurricane Harvey slammed the Texas Gulf Coast in 2017, state leaders recognized the need to improve our ability to prepare for the inevitable storms to follow. Gov. Greg Abbott assembled a special group, the Governor’s Commission to Rebuild Texas, both to assist with recovery operations and to recommend improvements in communication, coordination and infrastructure to lessen the impact of future hurricane events.

The commission, led by Texas A&M University System Chancellor John Sharp, issued its *Eye of the Storm* report in November 2018. In evaluating ways to improve Texas’ resilience to storms, the report reached into Texas history for a role model: Galveston residents’ response to the 1900 hurricane that claimed thousands of lives.

In the words of the report:

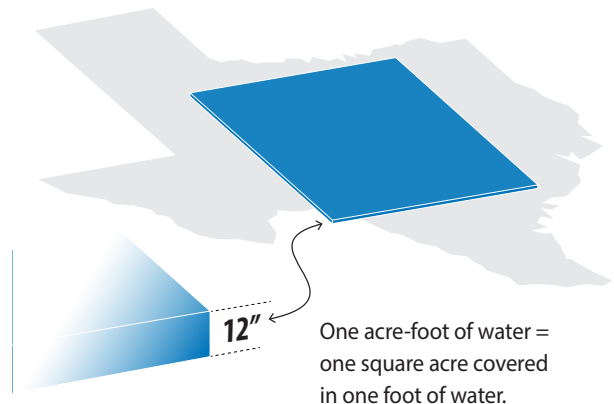
While many storms have lashed the island since then, many fewer people have suffered and much less damage has been done. The reason for this can be attributed to two lessons learned in that tragic year. First, the people of Galveston were better prepared and took approaching storms more seriously. And second, they elevated an entire island and built a seawall. We should recognize that those lessons remain vital and relevant to Texas today.

More than a century later, state and local leaders are taking steps to “future-proof” Texas — to improve its ability to prepare, withstand and recover — with lessons learned from Harvey, the second-costliest hurricane in U.S. history.

## HARVEY’S TOLL

In six days, Harvey caused historic flooding, dumping about 58 million acre-feet of water on the Texas coast. Some areas received as much as 60 inches of rain. Storm surges pushed two to 12 feet of water onshore. Wind gusts of up to 145 mph destroyed residences and businesses alike. At least 68 people died as a direct

■ = WATER FROM HURRICANE HARVEY (58 MILLION ACRE-FEET)



# “Future-Proofing” Texas Against Natural Disaster

result of the hurricane, mostly by drowning, while about 35 died from indirect effects such as motor-vehicle accidents. About 42,000 people were forced into shelters.

In all, Gov. Abbott ultimately issued disaster declarations for 60 Texas counties, mostly on the coast but some located well away from the main areas of devastation (**Exhibit 1**).

The Comptroller’s office estimated that the storm’s net economic impact decreased the Texas gross state product (GSP) by \$3.8 billion in the first year after landfall, although activity associated with reconstruction and recovery caused the economy to regain ground quickly, producing an expected \$800 million gain to GSP after three years.

The cleanup tasks were enormous. In late February 2018, FEMA estimated that nearly 13 million cubic yards of debris had been cleared from affected areas; the city of Rockport alone was forced to cope with 2.5 million cubic yards of debris.

Soon after the storm, aid began flowing to Texans who had suffered losses. As of January 2019, nearly \$15.5 billion had been paid to address Harvey claims through the National Flood Insurance Program, the Texas Windstorm Insurance Association, the Small Business Administration and the Federal Emergency Management Agency (FEMA) Individual Assistance program, which covers housing and other disaster-related expenses (**Exhibit 2**).

## THE NEXT STORM

In readying the state for future storms, leaders must rally support for changes whose value won’t be fully realized until the next disaster. That can be tricky.

“It’s a rainy-day problem,” says Billy Hamilton, deputy chancellor and chief financial officer for the Texas A&M University System, who guided preparation of the commission’s report. “When people are in danger of drowning, everybody understands somebody needs

EXHIBIT 1

### TEXAS COUNTIES INCLUDED IN TEXAS HARVEY-RELATED DISASTER DECLARATIONS

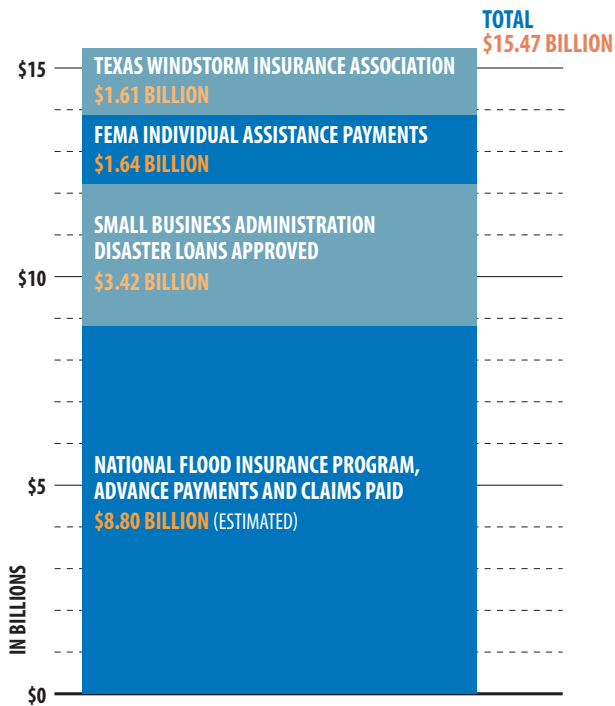


Source: Office of the Governor



EXHIBIT 2

AID PROVIDED TO HARVEY SURVIVORS AS OF JAN. 7, 2019



Sources: U.S. Federal Emergency Management Agency, U.S. Small Business Administration and Texas A&M AgriLife Extension Service

to do something. And then the sun comes out, and the water goes away. People clean up the worst of the muck, and they haul off the debris, and we sort of go back to our sense of complacency.

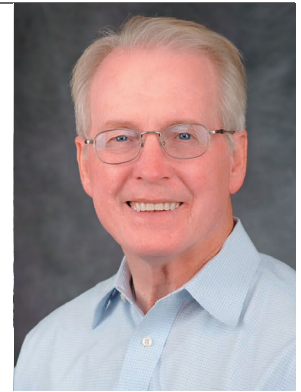
"Texas has the best response to emergency situations in the country," he says. "It is the model. But recovery, planning, mitigation — it's never been as well organized. And it's not like we can point to some other place and say, 'Well, they're doing a lot better job.' Everybody's in the same boat. The biggest challenge this far removed from the storm is to keep people recognizing that an enormous amount still needs to be done."

*Eye of the Storm* explores Harvey's impact while assessing the response and prioritizing steps needed to accomplish the immense task of improving the state's long-term recovery efforts and its resilience.

The report's recommendations include:

- ensuring state emergency responders are effectively organized, trained and equipped, and that local officials and emergency managers have better training.
- improving communication and coordination among state and local officials with emergency

responsibilities. As an example, the report cited the use of Texas A&M AgriLife Extension Service agents, who are stationed throughout the state, as a "force multiplier" to speed communications among emergency professionals in the field and state and local officials. During Harvey, the agents forwarded local requests, comments and concerns to a response center at the Texas A&M University System, where experts worked to get answers. The exchanges were logged, allowing for analysis. The report recommends institutionalizing this arrangement.



**BILLY HAMILTON**

DEPUTY CHANCELLOR, CFO,  
TEXAS A&M UNIVERSITY  
SYSTEM

- providing more timely assistance to survivors. The report suggests using state employees from various entities to create "recovery task forces" to help in specialized areas such as financial assistance.
- providing better, easily accessible information about storm risks to potential property purchasers as well as existing homeowners.
- using regulations and incentives to guide development away from areas at high risk of flooding.
- creating a catastrophic debris management plan and a guide to help local officials with the task.
- improving the state's ability to withstand disasters through infrastructure projects. The report pointed out that billions in federal, state and local dollars are being spent in Harvey's wake, calling it essential that "we don't simply replace what was destroyed but that we also increase the state's resilience."

The commission worked with the Texas Division of Emergency Management (TDEM) to compile a list of more than 4,000 potential hazard-mitigation projects in counties affected by Harvey that would cost a total of \$108 billion. The projects range from repairing public buildings at an expense of a few million dollars to an ambitious "coastal spine," a barrier to protect against storm surges on Galveston Bay and the Houston Ship Channel that could cost as much as \$11.4 billion.

Abbott presented a priority list of \$61 billion worth of these projects to Congress and the Trump administration. *Eye of the Storm* noted that the federal government hadn't come close to providing so much money to Texas, and that the Texas Legislature couldn't be expected to allocate a giant lump sum in one legislative session or even in several sessions. But the report says it's important to rank projects so the state can plan to strategically allocate funds as they become available.

# “Future-Proofing” Texas Against Natural Disaster

Among steps taken thus far, Harris County voters have approved a \$2.5 billion flood bond package for infrastructure projects, and Gov. Abbott signed an executive order updating and expanding the State Emergency Management Council, which is charged with advising and assisting the governor with disaster mitigation, emergency preparedness, disaster response and recovery, to include 39 public and private entities.

In addition, TDEM was tied to the Texas A&M University System when the division’s chief, Nim Kidd, became a system vice chancellor while still heading the emergency division. The move is meant to smooth the process and enhance coordination, Hamilton says, since other emergency response entities are under the auspices of the Texas A&M University System, including the Texas Task Force 1 and 2 search-and-rescue teams.

## 2019 LEGISLATION

In the current legislative session, the Texas House and Senate have approved a supplemental appropriations bill, Senate Bill 500, which includes about \$3 billion for Harvey-related recovery projects and beefed-up disaster response. A legislative conference committee has been appointed to negotiate differences between the chambers’ versions of the legislation.

Several hurricane-related measures were among the first to get moving in the session. In March, the Texas Senate approved SBs 6, 7 and 8 to, respectively, improve local response to disasters; create a Texas Infrastructure Resiliency Fund to boost funding for flood-mitigation projects and allow the state to draw federal matching funds for rebuilding; and create a flood mitigation plan to guide both state and local flood control efforts, including a “statewide, ranked list of ongoing and proposed flood control and mitigation projects and strategies.”

In April, the House approved a proposed constitutional amendment and a bill to implement it — House Joint Resolution 4 (HJR 4) and House Bill 13 — that would create a Flood Infrastructure Fund. The House also approved HB 5 and 6 to create a debris management plan and a disaster recovery task force, respectively. At this writing, SB 500 is in conference committee. SBs 6, 7 and 8 have passed the Senate; SB 6 has been referred to a House committee, while SBs 7 and 8 have been approved by a House committee and are awaiting debate by the full House. HJR 4 and HB 13 have passed the House and have been referred to a Senate committee.

These efforts recognize that Harvey won’t be the last disaster to test Texas.

“We are the national champions of emergencies, unfortunately,” Hamilton says. “We had the tax-day floods in Houston [in 2016]. We had hurricanes Ike and



Carla and Alicia ... we have had more federally declared disasters than any other state since records have been kept. They’ve all taught the same lesson, which is we need to do more to prepare, because one of these days, one of these hurricanes is going to come roaring up the ship channel.”

In *Eye of the Storm*, officials sought to tell the story of the hurricane and its aftermath in a way that showed “yeah, this was a horrible, possibly once-in-a-lifetime thing, but all of the ingredients are there for another hurricane in three years or five years,” Hamilton says.

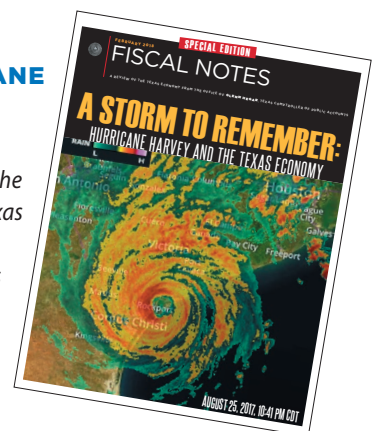
Pointing again to Galveston’s example, Hamilton says, “They had the good sense to elevate the island ... they didn’t sit around and wait for six [thousand] or 12,000 more people to die. They did something. That doesn’t mean they haven’t been hit by hurricanes, but it means a lot less loss of life and damage to property.

“You have to get the experts together; prioritize the needs, because there will never be enough money; and then you have to invest in the things that will best protect people and best protect the infrastructure and the property,” he says, “so that the storms will come, but their impact and the loss of life and all of that won’t be as severe.” **FN**

Visit the Governor’s Commission to Rebuild Texas online at [www.rebuildtexas.today](http://www.rebuildtexas.today).

## LOOKING BACK: HURRICANE HARVEY AND THE TEXAS ECONOMY

In February 2018, we examined the effect of Hurricane Harvey on the Texas economy, using a dynamic input-output model to measure the storm’s net economic impacts. View the report now at [www.FiscalNotes.org](http://www.FiscalNotes.org).



# State Revenue Watch

This table presents data on net state revenue collections by source. It includes most recent monthly collections, year-to-date (YTD) totals for the current fiscal year and a comparison of current YTD totals with those in the equivalent period of the previous fiscal year.

These numbers were current at press time. For the most current data as well as downloadable files, visit [comptroller.texas.gov/transparency](http://comptroller.texas.gov/transparency).

Note: Texas' fiscal year begins on Sept. 1 and ends on Aug. 31.

## NET STATE REVENUE — All Funds Excluding Trust

(AMOUNTS IN THOUSANDS)

### Monthly and Year-to-Date Collections: Percent Change From Previous Year

Tax Collections by Major Tax	APRIL 2019	YEAR TO DATE: TOTAL	YEAR TO DATE: CHANGE FROM PREVIOUS YEAR
<b>SALES TAX</b>	\$2,848,460	\$22,307,597	7.27%
PERCENT CHANGE FROM APRIL 2018	2.96%		
<b>MOTOR VEHICLE SALES AND RENTAL TAXES</b>	297,010	3,182,617	-0.31%
PERCENT CHANGE FROM APRIL 2018	1.31%		
<b>MOTOR FUEL TAXES</b>	322,015	2,460,757	1.80%
PERCENT CHANGE FROM APRIL 2018	-0.19%		
<b>FRANCHISE TAX</b>	424,972	420,014	77.56%
PERCENT CHANGE FROM APRIL 2018	8.11%		
<b>OIL PRODUCTION TAX</b>	344,238	2,488,196	20.42%
PERCENT CHANGE FROM APRIL 2018	8.89%		
<b>INSURANCE TAXES</b>	-40,297	1,483,742	1.43%
PERCENT CHANGE FROM APRIL 2018	-606.77%		
<b>CIGARETTE AND TOBACCO TAXES</b>	109,561	869,372	5.27%
PERCENT CHANGE FROM APRIL 2018	-3.36%		
<b>NATURAL GAS PRODUCTION TAX</b>	128,099	1,200,867	23.84%
PERCENT CHANGE FROM APRIL 2018	-0.73%		
<b>ALCOHOLIC BEVERAGES TAXES</b>	127,394	899,321	6.82%
PERCENT CHANGE FROM APRIL 2018	3.75%		
<b>HOTEL OCCUPANCY TAX</b>	63,929	402,110	5.26%
PERCENT CHANGE FROM APRIL 2018	2.58%		
<b>UTILITY TAXES<sup>1</sup></b>	92,874	315,240	6.26%
PERCENT CHANGE FROM APRIL 2018	-3.07%		
<b>OTHER TAXES<sup>2</sup></b>	80,997	234,681	10.18%
PERCENT CHANGE FROM APRIL 2018	4.03%		
<b>TOTAL TAX COLLECTIONS</b>	<b>\$4,799,252</b>	<b>\$36,264,515</b>	<b>7.61%</b>
PERCENT CHANGE FROM APRIL 2018	<b>2.10%</b>		
Revenue By Source	APRIL 2019	YEAR TO DATE: TOTAL	YEAR TO DATE: CHANGE FROM PREVIOUS YEAR
<b>TOTAL TAX COLLECTIONS</b>	\$4,799,252	\$36,264,515	7.61%
PERCENT CHANGE FROM APRIL 2018	2.10%		
<b>FEDERAL INCOME</b>	3,144,992	27,822,970	4.54%
PERCENT CHANGE FROM APRIL 2018	19.28%		
<b>LICENSES, FEES, FINES AND PENALTIES</b>	487,769	4,347,173	1.80%
PERCENT CHANGE FROM APRIL 2018	2.11%		
<b>STATE HEALTH SERVICE FEES AND REBATES<sup>3</sup></b>	512,373	4,708,749	-13.68%
PERCENT CHANGE FROM APRIL 2018	1.86%		
<b>NET LOTTERY PROCEEDS<sup>4</sup></b>	199,887	1,721,417	17.57%
PERCENT CHANGE FROM APRIL 2018	8.04%		
<b>LAND INCOME</b>	156,930	1,535,594	15.25%
PERCENT CHANGE FROM APRIL 2018	-30.92%		
<b>INTEREST AND INVESTMENT INCOME</b>	151,058	1,631,669	41.23%
PERCENT CHANGE FROM APRIL 2018	96.97%		
<b>SETTLEMENTS OF CLAIMS</b>	43,941	535,103	8.35%
PERCENT CHANGE FROM APRIL 2018	884.38%		
<b>ESCHEATED ESTATES</b>	15,835	130,999	23.69%
PERCENT CHANGE FROM APRIL 2018	-11.23%		
<b>SALES OF GOODS AND SERVICES</b>	26,548	184,105	-1.64%
PERCENT CHANGE FROM APRIL 2018	10.42%		
<b>OTHER REVENUE</b>	499,880	1,939,549	13.88%
PERCENT CHANGE FROM APRIL 2018	24.68%		
<b>TOTAL NET REVENUE</b>	<b>\$10,038,466</b>	<b>\$80,821,845</b>	<b>5.67%</b>
PERCENT CHANGE FROM APRIL 2018	<b>8.47%</b>		

<sup>1</sup> Includes public utility gross receipts assessment, gas, electric and water utility tax and gas utility pipeline tax.

<sup>2</sup> Includes taxes not separately listed, such as taxes on oil well services, coin-operated amusement machines, cement and combative sports admissions as well as refunds to employers of certain welfare recipients.

<sup>3</sup> Includes various health-related service fees and rebates that were previously in "license, fees, fines and penalties" or in other non-tax revenue categories.

<sup>4</sup> Gross sales less retailer commission and the smaller prizes paid by retailers.

Notes: Totals may not add due to rounding. Excludes local funds and deposits by certain semi-independent agencies.

Includes certain state revenues that are deposited in the State Treasury but not appropriated.



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