

**T E X A S   S T A T E**

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**Soil & Water**

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**CONSERVATION BOARD**

2021 Operating Budget and  
Biennial Savings Plan

Texas State Soil and Water Conservation Board  
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## INTRODUCTION:

The 2020-21 biennial appropriations for the Texas State Soil and Water Conservation Board (Board) total \$224,160,653. The appropriations are provided in accordance with the Board's Legislative Appropriation Request as submitted to the Legislature, and the subsequent supplemental appropriations bill (SB500) and general appropriations bill (HB1) as passed by the 86<sup>th</sup> Legislature and signed into law by the Governor. The methods of financing these appropriations include three sources of funding; state general revenue funds total \$43,587,317, anticipated federal revenues total \$30,573,336, and supplemental economic stabilization funds total \$150,000,000. These financial and personnel resources serve to support the Board's mission, goals, and programs. The Board approves a budget each fiscal year based on available appropriations.

## CONSIDERATIONS:

In a letter dated May 20, 2020, State Leadership requested each state agency to develop and submit a plan identifying savings that will reduce general revenue and general revenue related appropriations by five percent for the 2020-21 biennium. The savings plan is to be submitted to the Legislative Budget Board and Office of the Governor by June 15, 2020. The general revenue and general revenue related (GR) biennial appropriations for the Board total \$43,587,317 and a subsequent five percent savings return will total \$2,179,366 (\$1,089,683 per year).

Some cost savings strategies to be pursued by agencies include deferring capital expenditures, reducing travel, reducing administrative expenses that are not mission critical, and keeping unfilled any open positions not related to the COVID – 19 response.

In addition to a five percent savings plan for the current biennium, agencies are to be prepared to submit reduced budget requests for the 2022 -23 biennium and may be asked to make further budget adjustments to the current biennium as the state revenue picture becomes clearer.

## PROPOSED BIENNIAL SAVINGS PLAN:

Given the considerations above, the proposed five percent savings plan includes measures to:

- Reduce operating expenses by deferring life cycle technology replacements. Maintenance funds will remain budgeted to repair or replace defective equipment.
- Reduce travel by maximizing teleconference/videoconference opportunities and reducing the number of in person meetings.
- Reduce personnel costs by keeping unfilled open positions not related to the COVID -19 response.

By implementing these measures, an annual savings of \$362,242 is anticipated.

The remaining amount needed to reach a five percent annual GR return is \$727,441. To reach this amount the following adjustments are proposed:

- Discontinue the reimbursement of monthly internet service to participating Soil and Water Conservation Districts for a return of \$45,000.
- Discontinue the reimbursement of annual financial reporting costs for twenty Soil and Water Conservation Districts per year for a return of \$25,000.
- Reduce amounts available for Flood Control Operation and Maintenance grants for a return of \$474,481 per year.
- Reduce amounts available for Water Quality Managements Plan cost-share incentives at \$25,000 per area for a return of \$125,000 per year.
- Reduce amounts available for state funded Nonpoint Source grants for a return of \$57,960 per year.

In the Board's Legislative Appropriations Request (LAR) for the 2020 - 21 biennium, a ten percent reduction option was required for submission. This option, as submitted by the Board on August of 2018, capped the reductions to Soil and Water Conservation District Assistance at approximately two- and one-half percent, given that Soil and Water Conservation Districts are the core delivery system for all Board programs. In keeping with this same approach, this proposed plan also caps reductions to Soil and Water Conservation District Assistance at two- and one-half percent and results in the following biennial return amounts for each appropriated strategy:

- Soil and Water Conservation Assistance – \$280,364 (GR reduction of 2.5%)
- Statewide Management Plan, CWA 319 and NPS – \$115,920 (GR reduction of 6%)
- Pollution Abatement Plans, WQMP – \$501,000 (GR reduction of 6%)
- Flood Control Dams – \$1,066,962 (GR reduction of 6%)
- Carrizo Cane Eradication – \$177,120 (GR reduction of 6%)
- Indirect Administration - \$38,000 (GR reduction of 2.5%)
- Total savings and adjustments for all strategies – \$2,179,366 (Total GR reduction of 5%)

### Summary of Appropriations

Proposed FY2021 Operating Budget for September 1, 2020 - August 31, 2021

Description	Budget Allocation	Five Percent Reduction	Budget Allocation Balance	Comments
<u>Personnel</u>				
Salaries and Wages - 1001	\$4,625,500	-\$239,682	\$4,385,818	Reduce Unfilled Positions - 4.1 FTEs
Other Personnel Costs - 1002	\$137,000	-\$7,560	\$129,440	Reduce Unfilled Positions - 4.1 FTEs
<u>Travel</u>				
Travel - 2005	\$393,450	-\$71,500	\$321,950	Reduce Travel - 20% of State Funded
<u>Operating Expenses</u>				
Professional Fees and Services - 2001	\$48,400	\$0	\$48,400	
Fuels and Lubricants - 2002	\$19,500	\$0	\$19,500	
Consumable Supplies - 2003	\$29,850	\$0	\$29,850	
Utilities - 2004	\$104,500	\$0	\$104,500	
Building Rent - 2006	\$312,150	\$0	\$312,150	
Equipment and Other Rent - 2007	\$46,250	\$0	\$46,250	
Other Operating Expense - 2009	\$430,643	-\$43,500	\$387,143	Defer Capital Replacements
<b>SUBTOTAL</b>	<b>\$6,147,243</b>	<b>-\$362,242</b>	<b>\$5,785,001</b>	
<b>Conservation Implementation Assistance (TA)</b>	<b>\$2,193,394</b>	<b>\$0</b>	<b>\$2,193,394</b>	
<b>SWCD Assistance with Farm Bill (TSP)</b>	<b>\$400,200</b>	<b>\$0</b>	<b>\$400,200</b>	
<b>Conservation Assistance, Matching Funds</b>	<b>\$1,134,000</b>	<b>\$0</b>	<b>\$1,134,000</b>	
<b>District Director Mileage &amp; Per Diem</b>	<b>\$434,510</b>	<b>\$0</b>	<b>\$434,510</b>	
<b>Conservation Activity Program</b>	<b>\$326,500</b>	<b>\$0</b>	<b>\$326,500</b>	
<b>SWCD Legal Fees and Liability Insurance</b>	<b>\$58,600</b>	<b>\$0</b>	<b>\$58,600</b>	
<b>SWCD Internet Service Reimbursements</b>	<b>\$45,000</b>	<b>-\$45,000</b>	<b>\$0</b>	Discontinue IT Service Reimbursements
<b>SWCD Audit Reimbursements</b>	<b>\$25,000</b>	<b>-\$25,000</b>	<b>\$0</b>	Discontinue Audit Reimbursements
<b>Operation and Maintenance</b>	<b>\$4,935,000</b>	<b>-\$474,481</b>	<b>\$4,460,519</b>	Reduce Operation and Maintenance
<b>Engineer Services Design (10% Construction)</b>	<b>\$13,607,012</b>	<b>\$0</b>	<b>\$13,607,012</b>	
<b>Engineer Services Insp. (30% Construction)</b>	<b>\$40,821,037</b>	<b>\$0</b>	<b>\$40,821,037</b>	
<b>Structural Repair, Rehabilitation, and Upgrade</b>	<b>\$75,856,103</b>	<b>\$0</b>	<b>\$75,856,103</b>	

**Summary of Appropriations - Continued**

Proposed FY2021 Operating Budget for September 1, 2020 - August 31, 2021

<b>External Grants and Services -Federal</b>	<b>\$3,884,800</b>	\$0	\$3,884,800	
<b>External Grants and Services -State</b>	<b>\$966,000</b>	-\$57,960	\$908,040	Reduce State NPS Grants
<b>WQMP Cost-Share Incentives</b>	<b>\$2,115,929</b>	-\$125,000	\$1,990,929	Reduce WQMP Cost-Share Incentives
<b>CCEP External Grants and Services</b>	<b>\$1,100,000</b>	\$0	\$1,100,000	
<b>SUBTOTAL</b>	<b>\$147,903,085</b>	<b>-\$727,441</b>	<b>\$147,175,644</b>	
<b>APPROPRIATION TOTAL</b>	<b>\$154,050,328</b>	<b>-\$1,089,683</b>	<b>\$152,960,645</b>	
Method of Finance: General Revenue	\$21,793,660	-\$1,089,683	\$20,703,977	
Unexpended Balance Forward	\$0	\$0	\$0	
Federal Funds	\$15,286,668	\$0	\$15,286,668	
<u>Economic Stabilization Funds</u>	<u>\$117,000,000</u>	<u>\$0</u>	<u>\$117,000,000</u>	
Total Method of Finance	<u>\$154,080,328</u>	<u>-\$1,089,683</u>	<u>\$152,990,645</u>	
Full- Time Equivalent Positions	74.10	-4.10	70.00	