

## **BILL ANALYSIS**

Senate Research Center  
88R19877 KBB-F

H.B. 4820  
By: Orr (Alvarado)  
Water, Agriculture & Rural Affairs  
5/18/2023  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, nonprofit organizations in the Galveston Bay region, such as the Galveston Bay Foundation, seek grant funding from the Texas Commission on Environmental Quality (TCEQ)-administered Galveston Bay Estuary Program (GBEP) to help implement the Galveston Bay Plan, also known as the Comprehensive Conservation Management Plan (CCMP). However, due to TCEQ's interpretation of current law, nonprofits cannot receive funding through direct contracts with the GBEP and are instead required to find a party to "pass through" the funds. These parties include local governments and institutions of higher learning.

This "pass through" structure causes difficulty for both the GBEP and nonprofits; the GBEP faces complications in contracting and reporting while nonprofits face complications in both finding a "pass through" and securing the entirety of funding from that party. For context, a percentage of the funding is often retained by these parties as an overhead fee before passing it on to nonprofits.

Currently, nonprofits are able to contract with other state agencies, such as the Texas Parks and Wildlife Department and the General Land Office. H.B. 4820 seeks to extend this ability to TCEQ by allowing nonprofits to enter into contracts with and receive direct awards of grant funding from the GBEP for the purpose of developing and implementing a CCMP.

Allowing the GBEP to directly partner with a nonprofit organization would have a positive fiscal and workload benefit on TCEQ. Several project timelines would decrease the elimination of subgrantees under agreements, lowering costs to implement projects. The direct contracts would also decrease workload demand for the Water Quality Planning Division's division support services, procurements and contracts, and the Office of Legal Services by reducing the complexity of the contract agreements and reducing the number of amendments needed for minor changes.

H.B. 4820 amends current law relating to the eligibility requirements for grants under programs of the Texas Commission on Environmental Quality.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 5.124(f), Water Code, as follows:

(f) Authorizes a grant to be made by direct award only in certain circumstances, including if eligibility for the grant is limited to certain entities, including a nonprofit organization and the grant is awarded for the purpose of funding projects implementing a comprehensive conservation and management plan under the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.) for a national estuary located in this state. Makes nonsubstantive changes.

SECTION 2. Effective date: September 1, 2023.