

Supporting Agency Capacity for Effective Regulation

Key Takeaways:

- TCEQ needs flexibility to hire and retain qualified employees to continue effective regulatory oversight.
- Texas Emissions Reduction Program funding for alternative fuel infrastructure should be reevaluated to address the needs of heavy-duty hydrogen fuel cell trucks.

Background:

The Texas Commission on Environmental Quality is the nation's second largest environmental regulatory agency after the US Environmental Protection Agency. The agency serves a critical role in permitting and inspecting water, air, and waste facilities across Texas. TCEQ's capacity to timely review permit applications, inspect regulated facilities, and consistently enforce state and federal regulatory standards consistent with the protection of health, safety, and the environment is essential for both economic development and public welfare. In addition to its regulatory oversight role, TCEQ administers the Texas Emissions Reduction Plan (TERP), a program that provides grants to eligible entities for the purposes of lowering air pollution.

Proposed Action:

1. Support Exceptional Item #1 for Targeted Increases for Mission-Critical TCEQ Staff.

Staff turnover and retention is a major issue for TCEQ. According to the agency's LAR, nearly 44% of TCEQ staff has five years or less of agency service. The jobs at TCEQ require significant levels of professional and technical training, knowledge, and expertise. Further, some require degrees or advanced degrees in the areas of environmental science, engineering, hydrogeology, and, among other disciplines, chemistry. A knowledgeable, capable workforce is essential for providing regulatory certainty and consistency across the agency's water, air, and waste regulatory programs. Failure to maintain qualified staffing levels risks delays in critical permitting and inspection programs. Towards that end, Exceptional Item #1 for targeted salary increases for mission critical staff is essential for agency success with its legislative directives. This is a key measure to ensure employee retention within the competitive Austin labor and housing markets.

2. Increase TERP Funding for Hydrogen Fueling Program. Hydrogen is fast becoming a proven, low-emission, reliable fuel for heavy duty vehicle transportation and freight movement. Increasing the number of hydrogen fueling stations within Texas would play a critical role towards stimulating the introduction of hydrogen fuel cell trucks and busses on Texas roads. Given that hydrogen fueled vehicles can help achieve TERP program goals and that a single station can cost nearly \$20 million, it is recommended that the TERP grant caps be significantly increased include funding for hydrogen fueling stations.