

Capacity for Addressing Texas' Water Needs

KEY TAKEAWAYS

- The success of Proposition 4's implementation depends on sufficient staff capacity within TWDB to process an increased volume of financial assistance applications for water infrastructure projects.
- State investments in groundwater data and technical assistance resources are essential for closing the capacity gaps that leave groundwater conservation districts and rural communities unable to address their own water challenges.
- Texas should consider allocating a portion of the anticipated federal border security refund towards strategic infrastructure investments, including water supply and flood protection projects.

FINANCIAL ASSISTANCE STAFFING ESSENTIAL TO PROPOSITION 4 SUCCESS

In November 2025, voters approved Proposition 4 dedicating up to \$1 billion in state sales tax revenues to the Texas Water Fund starting in FY 2028. This substantial increase in annual revenue for water infrastructure projects will accelerate demands on TWDB's planning, financial assistance administration, and oversight responsibilities. **TWDB's Exceptional Item #1 requests \$12.6 million and 50 FTEs for FY 2028/29 to support the growth within its existing financial assistance programs and to prepare the agency for Proposition 4 implementation.** This exceptional item will help ensure that once Proposition 4's funding begins, TWDB will have the resources in place to deliver this historic investment to Texas communities.

70.4%

of voters approved Proposition 4 creating a dedicated revenue stream for the Texas Water Fund.

Texas Secretary of State,
November 2025 Election
Results

RESTORE TECHNICAL ASSISTANCE CAPACITY FOR SMALL & RURAL COMMUNITIES

TWDB's Water Utilities Technical Assistance Program (WUTAP) provides technical assistance to eligible water utilities to help with their applications for financial assistance from TWDB. TWDB's proposed Rider 25 reduces WUTAP funding to \$850,000 from \$1.5 million in each fiscal year – a reduction of \$1.3 million for the biennium – as part of the agency's 3% reduction in its GR base. **Texas 2036 recommends restoring WUTAP funding in Rider 25 to \$1.5 million per FY.** Technical assistance programs like WUTAP provide a critical bridge between the state's financial assistance programs and the small and rural communities that lack the capacity or resources to participate in them.

CONTINUE FUNDING FOR GROUNDWATER SCIENCE & PLANNING

Texas 2036 supports the proposed Rider 30 which maintains \$7.5 million in FY 2028/29 funding for grants to groundwater conservation districts (GCDs) for groundwater science, research, and data collection. Many GCDs lack the capacity to perform these studies, creating an information gap that precludes both data-driven groundwater management and informed water planning. Maintaining Rider 30 continues the policy adopted by the 89th Legislature aimed towards closing these gaps.

CONSIDER APPLYING ONE-TIME FEDERAL REIMBURSEMENT TOWARDS WATER INFRASTRUCTURE

TWDB notes that the SWIFT lacks capacity to fund additional water plan projects before Proposition 4 revenues become available. In the meantime, the Flood Infrastructure Fund (FIF) has limited capacity to pay for needed flood protection projects. **If Texas receives a reimbursement from the federal government for border security costs, Texas 2036 recommend the consideration of applying a portion of these funds towards SWIFT and FIF.** This would provide bridge, interim funding for these programs before the revenue dedication from Proposition 4 begins.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT

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